



# ***Daily Report***

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## **China**

FBIS-CHI-92-021  
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31 January 1992

# Daily Report

## China

FBIS-CHI-92-021

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31 January 1992

NOTICE TO READERS: An \* indicates material not previously disseminated in electronic form.

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## General

### Li Peng Attends Davos World Economic Forum

#### To Deliver Speech at Meeting

OW3001173792 Beijing XINHUA in English  
1723 GMT 30 Jan 92

[Text] Davos, Switzerland, January 30 (XINHUA)—The 1992 annual meeting of the World Economic Forum opened here this evening with around 2,000 participants who would discuss the latest political and economic developments in the world today.

Among the participants from 86 countries and regions are statesmen, government officials, entrepreneurs and other personalities.

Klaus Schwab, chairman of the forum, told reporters that 33 heads of state and premiers are attending the six-day annual meeting.

They include Chinese Premier Li Peng, Indian Prime Minister P.V. Narasimha Rao, Pakistani Prime Minister Mian Nawaz Sharif, South African President F. W. de Klerk, President of the African National Congress of South Africa Nelson Mandela, and leaders of 10 member countries of the Commonwealth of Independent States.

Premier Li Peng, the first Chinese Government leader to show up at the Davos annual meeting since the forum was formed in 1971, will deliver a speech later today.

During the week-long meeting, the participants will give speeches on "Role Asia Plays in World Market Competition," "New World Order and Security," "Europe and Its New Reality," "Prospect of East European Economy" and "Europe-North Africa Cooperation."

The annual meeting of the Geneva-based World Economic Forum, a non-profitable and non-governmental organization, is known as the "Summit on World Economy and Industry."

By arranging and promoting contacts between world leaders of politics and economy, the forum aims at enhancing global cooperation and boosting industrial efficiency, thus contributing to the economic and social development in the world.

#### 'Text' of Li's Speech

OW3001192392 Beijing XINHUA Domestic Service  
in Chinese 1254 GMT 30 Jan 92

["Text" of speech by Chinese Premier Li Peng at the annual meeting of the World Economic Forum in Davos, Switzerland: "China's Economy in the 1990's"]

[Text] Davos (Switzerland), 30 January (XINHUA)—Mr. Chairman, ladies and gentlemen:

It is a great pleasure for me to have this opportunity today to attend the 1992 annual meeting of the World

Economic Forum at the invitation of Mr. Klaus Schwab, and to join the statesmen, entrepreneurs and scholars of many countries in forecasting the world economy in the 1990's. Please allow me to give my regards to you Mr. Chairman, ladies and gentlemen present at this meeting, and to the government and the people of the host country Swiss Confederation.

During the chairman's explanation of the theme of this meeting a while ago, you mentioned in particular global cooperation; I appreciate this theme very much. There are 5.5 billion people living together on this earth. Although countries differ greatly in cultural traditions, ideology, social systems, and economic development, their best choice is cooperation. In order to cooperate with each other, they must understand each other. I would like to take this opportunity to brief you on the trend of China's present and future economic development, and hope that this briefing will help you understand more about China.

Perhaps you, ladies and gentlemen, share the view that the world today is not tranquil. The situation last year was particularly turbulent. The disintegration of the Soviet Union after the Gulf war has become the focus of people's attention, and of course it also has had some impact on China. However, the impact is not as great as some people have estimated, and the basic reason for this is that the two countries differ in their situation and their principles and policies. Many people with breadth of vision have already seen this point. At present, the world is in a period of change from the old pattern to a new one, and there is a growing trend of multi-polarization. Where should the world go under the changeable international situation has become a question of common concern of all the people in the world.

We believe that peace and development remain the two major questions in the world today. With concerted efforts made by the people of the world, some indication of detente has appeared in the world. However, the constant emergence of international turbulence and regional conflicts also shows that world peace has not yet been fundamentally ensured. China consistently stands for and dedicates itself to safeguarding world peace, and it is willing to strive to maintain and develop friendly relations and cooperation with all other countries on the basis of the five principles of peaceful coexistence.

People have noticed that the situation in Asia is relatively stable, the economic growth rate in Asia is higher than the world's average, and the growth rate in eastern Asia is even higher. The GNP in eastern Asia accounted for less than one sixth of the world's total a decade ago, and now it has risen to one fourth of the world's total. The economic vigor there is evident.

China is the most populous developing country in the world. Proceeding from this basic fact, the Chinese Government decided on a three-step development strategy for China's modernization in the early 1980's.



The first step called for doubling the GNP in approximately 10 years, mainly for the purpose of meeting the people's basic needs in food and clothing. This task was accomplished in the 1980's. The second step called for doubling the GNP again and enabling the people to enjoy a relatively comfortable life by the end of the century. The third step called for raising the per capita GNP to the level of an average developed country and achieving national economic modernization by the period 2030-2050.

To ensure the attainment of this objective, China has, over the last decade or so, pursued a policy of reform and opening to the outside world which was initiated by Comrade Deng Xiaoping and carried out the effective reform of its economic structure. The success of reform was achieved first in rural areas, and we have gradually shifted towards reforming the urban areas. Reform and opening to the outside world have brought about economic development, social prosperity, higher living standards of the people, and great changes in the mental outlook of the people.

China is a country with a population of more than 1.1 billion, of which some 800 million are in rural areas. The rural economic situation a crucial key to China's economy as a whole. We are practicing a responsibility system in rural areas with the household contract linking output to payment. Under the system, the land remains collectively owned, but it is managed independently by individual peasants. Such a policy has greatly aroused initiative and enthusiasm for production among the peasants. While China's annual grain output stood at some 300 million metric tons before the start of the reform, it now exceeds 400 million metric tons. In the meantime, agriculture, forestry, animal husbandry, sideline production, and fishery have been generally developed. In order to further raise agricultural production, it is necessary to continue increasing investment in agriculture and reliance on scientific and technological progress and the improvement of the peasants' quality. Thus, it is also necessary to establish both production service systems and social service systems of various forms in rural areas. Village and town enterprises are great creations developed by Chinese peasants in the course of reform. In the 1980's, the rapid development of village and town enterprises of all categories created 100 million jobs for the peasants, promoted the construction of small towns, and prevented a large amount of rural surplus labor from swarming to big cities. Of the total output value of rural society at present, the combined output value of village and town industries and tertiary industries has exceeded the agricultural output value. This is of major significance regarding improvement of the living standards and stability of the peasants in the rural areas; even the entire society.

Concerning urban reform, reform of enterprises is being stressed. At present, the state has changed its method of managing enterprises, and governments at various levels have reduced direct intervention in operation of enterprises. After the reform of the commodity pricing

system, less than 30 percent of China's commodities and capital goods are now subject to government pricing. The government gives attention to allowing the market play a regulatory role. It resorts to economic and legal means, as much as possible, to achieve a balance between total social supply and total social demand, and exercises a macro-control in optimizing the economic structure. These reforms have gradually yielded good results, and have forcefully promoted economic invigoration in China.

In order to deal with the difficulties caused by an overheated economy, three years ago we began the task of improving the economic environment and rectifying economic order. We have thus effectively brought inflation under control, developed agriculture by leaps and bounds, and maintained a proper industrial growth rate. Now the task of improving the economic environment and rectifying the economic order has been basically accomplished and the national economy has entered a stage of normal development. During the period of improving the economic environment and rectifying economic order, reform and opening to the outside world did not stop but went further and made new progress in many fields. Improvement of the economic environment and rectification of economic order have created even more favorable conditions for furthering reform and opening the country wider to the outside world.

Reform in China does not mean a change for the socialist system; it means self-improvement and development. The general principles of reform are to encourage appropriate growth of nonpublic sectors while maintaining public ownership as the dominant sector of the economy; take the system of each according to his work as the main means of distribution while complementing it with other forms of distribution; follow a policy of combining economic planning with market regulation, so that the regulatory advantages of both may be given full play; and encourage some areas and people to become rich before others, while encouraging them to help the less prosperous ones, with the aim of gradually achieving common prosperity. Reform along these policies and principles suits our national conditions and is in the fundamental interests of the Chinese people; thus, it has propelled China's productive growth. The 1980's witnessed the speediest growth of China's economy and the greatest tangible benefits to the Chinese people. From 1980 to 1990, China's GNP grew at an average annual rate of 9 percent; the people's livelihood in both urban and rural areas showed marked improvement, with average net rural income increasing 8.4 percent a year and average real urban income of an urban to 5.3 percent a year.

Last year, 1991, was the first year of China's Eighth Five-Year Plan and 10-Year Program. It was a good beginning. Despite extraordinary floods in east China, we attained a GNP growth rate of 7 percent, managed to curb inflation to below 4 percent, and gathered another bumper harvest. Flood victims, numbering in the tens of

millions, were assisted in reestablishing themselves in life and production. Friends recently visiting China could see for themselves that markets are buoyant, shops are full of goods and people are living and working in peace and contentment. Thanks to reform and the open policy, the 1.1 billion Chinese people have improved their living standards and are more convinced of the bright future of their country and nation. They are now building their better future full of confidence. That is why China will not change its policies of reform and opening up which enjoy wide popular support but will accelerate their pace. While furthering rural reforms, in urban areas we will continue to focus on enterprise reform by shifting operative mechanisms so that enterprises will become market-oriented economic entities responsible for their own management decisions, profits, and losses. To facilitate enterprise reform, we will further carry out reforms in the housing, medical care, and social security systems. In addition, we will continue to reform the foreign trade management system with working toward making all foreign trade enterprises responsible for their own profits and losses so as to meet the universally accepted rules of international trade and the needs of our opening wider to the outside world.

The last decade of this century will be crucial to China's modernization. We will strive to accomplish the arduous task of readjusting the economic structure and improving economic efficiency, raising the entire national economy to a higher level by pressing ahead with reform and opening up, promoting scientific and technological progress, and improving the quality of labor. Towards these ends, we wish to learn from experiences of other countries.

Economic development has always been a top priority task for China. China has only 7 percent of the world's total cultivated land and yet has a population which accounts for 22 percent of the world's total population. Given such limited land resources, it is by no means an easy job to provide our 1.1 billion people with the basic needs of adequate food, clothing, and shelter; ensure sustained economic growth and a constant improvement of the people's livelihood, and gradually close the gap between China and developed countries. To push our economy forward, we need a peaceful international environment and a stable political situation at home. No developing country in the world can develop its economy and improve living standards during conditions of turbulence and unrest. China's stability, prosperity, and lasting peace will not only benefit the Chinese people but also have an important bearing on the Asia-Pacific region and the world at large.

China's modernization cannot proceed without economic and technological cooperation and exchanges with other countries. It is a basic state policy of China to keep opening wider to the outside world on the basis of self-reliance. The 1980's saw China's closer economic ties with the rest of the world and the sharp growth of its foreign trade, foreign businessmen have been enthusiastic in making investment in China and so far, more

than 17,000 joint ventures or foreign-owned enterprises have been put into operation, the actual investment exceeding \$23 billion. In the 1990's, while continuing to develop special economic zones and open coastal areas, we will make use of both foreign and domestic funds to build and develop the New Pudong district in Shanghai. Shanghai is China's largest industrial city and economic center. It has the vast areas along the Yangtze River as its hinterland and holds extremely broad prospects for development. As we open our door still wider to the outside world, the investment environment will further improve. People of all countries and from all walks of life are welcome to visit China on sightseeing or study tours. For business people, China will definitely mean many opportunities for investment and partnership. In the 1990's, China will need a good deal of new projects in the fields of energy, transport, communications and raw and processed materials and need extensive technological upgrading in manufacturing industries. China's market is open to all countries—to developed and to developing countries. We are ready for cooperation with foreign enterprises in various forms, including use of government loans and buyer's credit. Expansion of China's exports will enable it to import more foreign technology, equipment, and materials needed in its economic development. Last year China's imports were over \$60 billion. Projected on that basis it will exceed \$300 billion in the coming five years.

The early resumption of China's lawful status as a contracting party to GATT will facilitate China's efforts to further develop its trade relations of equality and mutual benefit with other countries in the world. To enjoy rights provided by GATT, it is only natural that China will fulfill all stipulated obligations. After resumption of its contracting party status to GATT as a sovereign state, China will have no objection to Taiwan's participation in GATT as a separate customs territory.

Mr. Chairman, as a developing country, China is naturally concerned about the predicament of the developing countries in the world economy. Numerous facts show that North-South relations will deteriorate further rather than progressing. Therefore, the improvement of the North-South relations has become an important task for all countries. At present, the gap between the North and the South is widening, with the rich becoming richer and the poor poorer. People in many developing countries are living below the poverty line. Developed countries have the responsibility to provide more help to developing countries and to establish a new international economic order based on equality and mutual benefit and exchange of equal values. With respect to the question of debt relief, developed countries should also take the initiative and make greater contributions.

In our world, mankind is jointly faced with many problems that call for urgent solutions, with the tasks of maintaining peace and securing development most arduous. Environmental protection, rational use of resources, and control of excessive population growth are all problems to be addressed in earnest. The Chinese

Government always takes an attitude of active cooperation with the international community and will work untiringly with other countries in tackling the issues of peace and development, effecting equal and mutually beneficial cooperation among all countries and establishing a fair and reasonable new international political and economic order.

Thank you.

#### **Meets Former Japanese Prime Minister**

*OW3001171592 Beijing XINHUA in English  
1646 GMT 30 Jan 92*

[Text] Davos, Switzerland, January 30 (XINHUA)—Chinese Premier Li Peng met here this afternoon with former Japanese Prime Minister Noboru Takeshita and held talks with him on the development of Sino-Japanese relations.

Takeshita said he was pleased to meet with Li Peng in Davos, where they both are attending the annual meeting of the World Economic Forum (WEF).

The former Japanese prime minister told Li that he had been closely following the news coverage of Li's current European tour.

Li Peng spoke highly of Takeshita's contribution to the development of Sino-Japanese relations.

"You are an old friend of China and you have always been dedicated to the development of Sino-Japanese relations, whether in or out of office," Li said.

Takeshita noted that this year was the 20th anniversary of the establishment of Sino-Japanese relations. "We are looking forward to the visit by Jiang Zemin, general secretary of the Chinese Communist Party," he said.

Li said that Jiang is the nucleus of China's third generation leadership, and his visit would play an important role in promoting the bilateral relations.

#### **Meets Pakistani Prime Minister**

*OW3101025992 Beijing XINHUA in English  
0234 GMT 31 Jan 92*

[Text] Davos, Switzerland, January 30 (XINHUA)—Visiting Chinese Premier Li Peng today met Pakistani Prime Minister Mian Nawaz Sharif who is also attending the World Economic Forum here.

The two sides expressed satisfaction over new developments in relations between the two countries.

Li said that China and Pakistan have been enjoying a good relationship and in the future this friendly relationship will continue to develop.

The improvement of Sino-Indian relations will not affect Sino-Pakistani relations, the Chinese premier stressed.

He pointed out that both China and Pakistan hold that world affairs should not be dominated by one or several big powers.

Li told his Pakistani counterpart that at the coming United Nations Security Council summit in New York, he, on behalf of the Chinese Government, will present points of view and ideas on the current world situation and formation of a new world order.

Sharif said that China is a permanent member of the U.N. Security Council and plays a key role in world affairs. He believed that Li's visit to Western Europe and attendance of the Security Council summit are significant actions.

Sharif spoke highly of China's support of Pakistan's proposal to convene a conference of five South Asian nations for the establishment of a nuclear-free zone and China's assistance to Pakistan in installing a 300,000 kilowatt nuclear power station.

#### **Li Leaves Switzerland for New York**

*OW3001210292 Beijing XINHUA in English  
2012 GMT 30 Jan 92*

[Text] Davos, January 30 (XINHUA)—Chinese Premier Li Peng left here tonight for New York after winding up his official visit to Switzerland and attending the opening ceremony of the annual meeting of the World Economic Forum.

Li will attend the summit of the 15 United Nations Security Council member countries in New York scheduled for January 31.

The Chinese premier arrived in Switzerland from Italy on January 28.

He will also pay official visits to Portugal and Spain to continue his four-nation European tour.

#### **Li Makes Arrival Statement**

*OW3101120592 Beijing XINHUA Domestic Service  
in Chinese 0832 GMT 31 Jan 92*

[By reporter Liu Qizhong (0491 0366 0022)]

[Text] United Nations, 31 Jan (XINHUA)—State Council Premier Li Peng arrived in New York from Switzerland by special plane in the early morning of 31 January. He will attend the UN Security Council summit scheduled to open in New York today.

The meeting is convened at the recommendation of this month's Security Council Chairman and British Prime Minister Major under the major theme of "The Security Council's Responsibilities in Maintaining International Peace and Security." Leaders from the five permanent members and 10 nonpermanent members of the Security Council will attend the meeting.



Premier Li Peng issued a written statement to the press at the Kennedy International Airport in New York. He expressed his great pleasure at having the opportunity to attend the meeting in New York to hold discussions with leaders from various Security Council member countries about the current international situation, issues of common interest, and challenges confronting the United Nations.

He said: "Given the monumental changes in today's international situation, the people expect the United Nations and its Security Council to expand their positive roles in accordance with the purposes and principles of the UN Charter, and to contribute to the maintenance of world peace and the promotion of common prosperity and development of humanity."

Li Peng said: "Under such circumstances, it is of important practical significance for leaders of various countries to increase contact, hold direct dialogue, deepen mutual understanding, and enhance consensus. As a founder of the United Nations and a permanent member of its Security Council, China has always observed the purposes and principles outlined in the UN Charter. As in the past, China will support efforts by the United Nations to play its due positive role in maintaining international peace and security."

He stated: "The Chinese people have always been on friendly terms with other peoples in the world. The Americans are a great people. The Chinese people enjoy profound friendship with their American counterparts. I would like to take this opportunity to convey the Chinese people's warm regards and best wishes to the American people."

In conclusion, Premier Li Peng said: "My visit to New York comes just before the Spring Festival—a traditional Chinese holiday. I would like to take this opportunity to extend my holiday greetings and best wishes to the broad ranks of Chinese residents and students in the United States. I wish them good luck, good health, familial bliss, and every success in the year of the monkey."

State Councilor and Foreign Minister Qian Qicheng and Zhu Lin, wife of Premier Li Peng, also arrived in New York on the same plane.

UN Undersecretary General Ji Chaozhu and Aly Teymour, representative of UN Secretary General Ghali and assistant UN secretary general, greeted the delegation at the airport.

Also present at the airport were Vice Foreign Minister Liu Huaqiu, who had arrived in New York earlier; Zhu Qizhen, Chinese ambassador to the United States; and Li Daoyu, China's permanent representative to the United Nations.

#### Paper Views Li's Presence at Summit

HK3101075292 Hong Kong WEN WEI PO  
in Chinese 31 Jan 92 p 2

[Editorial: "Li Peng's Presence at Security Council's Summit Attracts Worldwide Attention"]

[Text] Having wound up his visit to Italy and Switzerland, Li Peng has flown directly to UN headquarters in New York to attend an unprecedented UN Security Council summit.

This summit is held at a moment when the Soviet Union's disintegration and the Yugoslav civil war have given rise to a series of unpredictable changing factors in the world. In the wake of the dismantlement of the Soviet Union, Western countries have experienced a complicated psychological process from gratification to worry. British Prime Minister John Major, chairman of the Security Council for the month, holds that the Soviet Union's disintegration has offered an opportunity while bringing about a danger as well, and one should be well prepared for both.

The United States has not been as enthusiastic about this summit as Western European countries are. The United States has always thought it could play a greater part in the post-cold-war period and act as the "founder of the new order," in the capacity of "winner in the cold war." On the other hand, being criticized by his opponents at home as "a giant on the diplomatic arena but a midget in domestic affairs," President Bush just does not want to attend any summit at this moment lest this turn out to be a negative factor for him in the election year. For the above reasons, the United States showed little interest in the summit at the very beginning. However, other members of the Security Council have all been very interested in the plan and their efforts have finally made the summit come true.

How will the international situation be developing after the Soviet Union's disintegration? How is the world going to prevent proliferation of nuclear arms and massive lethal weapons? How is one going to effect disarmament? What impacts will it have on the world pattern in the wake of Russia's replacement of the late Soviet Union as a permanent member of the UN Security Council? How is the United Nations going to increase its capability of maintaining world peace? How will the expenses be shared among different countries if more UN peace-keeping forces are to be dispatched? All these are issues that must be solved now.

All nations wish to enhance the UN's peace-keeping capacity to meet the needs arising since the end of the former world pattern characterized by bipolar dominance. The end of the Cambodian conflict, reconciliation in El Salvador, denuclearization on the Korean Peninsula, and other gratifying developments have shown to all nations that this world has arrived at the best period in terms of peace, security, and development since the founding of the United Nations.

The summit is going to set forth a principle as the guidance for the future new world order, in the form of a "global peace manifesto." During the drafting of this manifesto, Western countries have attempted to add the West's values to the draft of the manifesto so that big powers can meddle in other member states' internal affairs under such pretexts as "human rights." This attempt in substance means to retain the old order of the cold war period when big powers interfered in other countries' internal affairs. After the French Revolution, some principles, such as the ideas of equal sovereignty, territorial integrity, and mutual non-interference in each other's internal affairs, were put forth. However, since these principles were not observed, aggressive wars broke out among those countries which loudly preached "democracy," leading to the two world wars. The Yalta pattern emerging after World War II was one by which two big powers dominated over the world. The history of modern world is a history of small and weak nations being bullied by big powers and rich nations. Among the 170 members of the United Nations today, developing countries are rising as a great force pushing for the establishment of a new international order. Working together with other developing countries, China has contributed to the drafting of the summit manifesto. Now the manifesto has been modified to such an extent that it suits the desire and interests of the vast majority of countries and is in line with the principle of inviolability of sovereignty that is embodied in the UN Charter. With the differences of opinion ironed out, the manifesto is expected to be adopted by the forthcoming summit.

The principle of state sovereignty is the cornerstone of modern international law. Only when the principle of noninterference in others' internal affairs is observed will it be possible to put an end to the old order, and will the world be able to enter a new era in which different countries cooperate with each other on an equal footing, strive to safeguard peace and stability, and make common efforts to seek economic, scientific, and cultural development. The Security Council summit is to demonstrate third world countries' new role in international affairs and China's irreplaceable role in the establishment of the new world order.

Premier Li Peng is going to take the floor at the summit to elaborate China's analysis of the new situation and its view on the establishment of a new order based on the five principles of peaceful coexistence. Li Peng will also hold work meetings with U.S. President Bush and other Western government heads. It is completely natural that this major diplomatic event is drawing worldwide attention, as it signifies the restoration of normal, substantive relations between China and the world and the return of China to the international community as an active member.

## Further Reportage on Foreign Ministry Briefing

### Spokesman Calls for Disarmament 'Soon'

HK3101002192 Beijing CHINA DAILY in English  
31 Jan 92 p 1

[By staff reporter Zhang Ping: "State Lauds Disarming Proposals"]

[Text] China yesterday welcomed the nuclear disarmament plans separately announced by U.S. President George Bush and Russian President Boris Yeltsin.

A Chinese Foreign Ministry spokesman told a weekly news briefing in Beijing that China has taken note of the nuclear arsenal cuts plans and hopes the United States and the Russian Federation "will, as soon as possible, implement and complete these plans."

The spokesman, Duan Jin, said China stands for a complete prohibition and thorough destruction of nuclear weapons. Its position on disarmament is that the two countries "that possess the largest number of and most advanced nuclear weapons should shoulder special responsibility and obligations in reaching this goal," the spokesman said.

Duan pointed out that China has always opposed the arms race in outer space and stands for the prohibition of any such weapons.

Duan said China possesses only a very small number of nuclear weapons, and they are entirely for self-defence purposes.

"And when these two countries stop testing, producing and deploying nuclear weapons and cut their nuclear arsenal to China's level, China will naturally take part in the process of nuclear disarmament ..." the spokesman said.

China has already taken positive steps to cut its conventional weapons, he added.

Commenting on the fourth summit meeting of Asean, Duan said the policies adopted at the meeting will exert a positive and far-reaching influence on strengthening political and economic relations and promoting regional co-operation among Asean countries.

China believes that with the joint efforts of its member states, Asean will grow even more dynamic and play a more important role in the Asia-Pacific region and in international affairs.

Also at the briefing, Duan said Vice-Premier Zhu Rongji will visit Australia and New Zealand next month.

### Condemns Tibet Human Rights Issue

HK3001143592 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1327 GMT 30 Jan 92

[Text] Beijing, 30 Jan (ZHONGGUO XINWEN SHE)—Chinese Foreign Ministry spokesman Duan Jin said

today: The so-called resolution regarding the Tibetan situation has long been planned and is a kind of plot aimed at splitting China, amounting to interference with China's internal affairs by using the excuse of the human rights issue. It conflicts with the UN Charter and the International Law's principle regarding respect for state sovereignty and noninterference in the internal affairs of another country. It is unacceptable to the Chinese Government.

At the news conference, a reporter had asked: Now that the UN Human Rights Committee has decided to discuss, for the first time, the question of China's infringement of human rights in Tibet, how will China respond?

After making the above remarks, Duan Jin said: Before 1959, the cruel serf system had been in practice in Tibet. Under this system, the Tibetans did not even have basic personal freedom, still less did they have any human rights. Since the Central Government carried out democratic reform in Tibet in 1959 by abolishing the serf system, the Tibetan people have enjoyed all political, economic, and cultural rights enjoyed by Chinese citizens as stipulated by the PRC Constitution, including the freedom of religious belief. Moreover, the Tibetan people enjoy all sorts of special rights stipulated in the "Autonomous Law for Ethnic Regions," including setting up their autonomous organs, exercising the right of autonomy, and enjoying the freedom to use and develop the Tibetan language and script and the freedom to preserve or reform their own customs and habits. This wide-ranging democracy and freedom is not only strictly protected by law but also fully respected in practice.

Therefore, Duan Jin said, there is no such thing as the human rights question in Tibet.

He pointed out: For a long time, some international forces have supported and encouraged a small number of Tibetan separatists to carry out activities in a vain attempt to split Tibet from China. They have invented rumors and facts to willfully attack and slander the Chinese Government. The small number of separatists, who are in exile abroad, are conspiring with some foreign forces to invent rumors to deceive international opinion using the excuse of safeguarding Tibet's independence and its democracy, freedom, and human rights. Their objective is to split Tibet from China or, so to speak, make Tibet independent. Duan Jin said: The Chinese people, including the Tibetan people, will never allow this.

#### **Radio Reports Remarks on Tibet, Taiwan**

OW3101131892 Beijing Central People's Radio  
in Mandarin to Taiwan 2200 GMT 30 Jan 92

[Report by (Fang Xiaojia) on news briefing by Foreign Ministry spokesman Duan Jin on 30 January; from the "News and Current Events" program; passage within quotation marks recorded]

[Text] An Associated Press reporter asked: The UN Human Rights Committee reportedly will discuss for the first time the question of China's infringement of human rights in Tibet. What comment do you have? Does this indicate major changes in the international community's stance toward China regarding the issue of human rights in Tibet?

Duan Jin said: For a long time, some international forces have tried to interfere in China's internal affairs under the pretext of human rights in Tibet. This is unacceptable to the Chinese Government.

[Duan Jin] "In fact, the so-called human rights issue does not exist in Tibet. For a long time, some international forces have supported and encouraged a small number of Tibetan separatists to carry out activities in a vain attempt to split Tibet from China. They have fabricated rumors and facts to willfully attack and slander the Chinese Government. The so-called resolution regarding the Tibetan situation has long been in planning and is a kind of plot for splitting China, and interfering in China's internal affairs under the pretext of the so-called human rights issue. This runs counter to the UN Charter and principles in international law regarding respect for national sovereignty and noninterference in the internal affairs of another country. This is unacceptable to the Chinese Government.

"Regarding human rights in Tibet, it is common knowledge that Tibet practiced a cruel serf system before 1959. Under this system, the Tibetans did not even enjoy basic personal freedoms, not to mention various human rights. Since the central government carried out democratic reform in Tibet in 1959 by abolishing the serf system, the Tibetan people have enjoyed all the political, economic, and cultural rights that the PRC Constitution grants to Chinese citizens, including the freedom of religious belief. Moreover, the Tibetans have enjoyed all sorts of special autonomous rights stipulated in the Law for Regional Autonomy for Minority Nationalities, including the right to set up autonomous organs and exercise autonomy, and the freedom to use and develop the Tibetan language and script, and preserve or reform their own customs and habits. Such wide-ranging democracy and freedom are not only strictly protected by law but are fully respected in practice.

"I would like to point out that a handful of exiled Tibetan separatists are conspiring with some foreign forces to fabricate rumors to deceive international opinion under the pretext of safeguarding Tibet's independence, democracy, freedom, and human rights. Their goal is to split Tibet from China in an attempt to achieve so-called Tibet independence. All Chinese people, including the Tibetan people, will never allow this."

A UPI reporter said: President Bush and Russian President Yeltsin have announced their nuclear disarmament plans and Yeltsin has asked China, France, and Britain



to reconsider their positions on nuclear disarmament. He asked: Will China consider this problem and reduce its nuclear arms?

Duan Jin said China has a small amount of nuclear weapons—the amount is negligible—and they are completely for purposes of self defense. In particular, he said:

[Duan Jin] "We have taken note that President Bush and Vice President [title as heard] Yeltsin have separately announced their respective nuclear disarmament plans. We welcome this move and hope the United States and Russia will implement and fulfill these plans as soon as possible. China's stand on totally banning and destroying nuclear weapons... [changes thought] The two nuclear powers that have the largest and most advanced nuclear arsenals bear special responsibility and obligation in achieving this goal. This stand of ours is well known to everyone. China has always been dedicated to opposing the arms race in outer space and has called for banning all kinds of space-based weapons, including antimissiles and anti-satellite weapons, in order to make space free of arms. In this regard, the two countries that have the greatest space ability should assume special responsibility and obligations in preventing the arms race in space; in totally banning, developing, testing, [word indistinct], and deploying space weapons; and in destroying all kinds of space weapons. China has a small amount of nuclear weapons—the amount is negligible—and they are completely for purposes of self defense. We believe that the two countries that have the world's largest nuclear arsenals bear special responsibility in nuclear disarmament. They have the obligation to take the lead. This is because they had engaged in the arms race over the years and have the largest nuclear arsenals. [Words indistinct] ban the testing, production, and deployment of nuclear weapons, and reduce their nuclear force to a level matching that of China, and then China will certainly participate in talks on this issue and join others in totally destroying nuclear weapons. China has always been opposed to the arms race; has stood for disarmament; called for totally banning and destroying nuclear weapons, chemical weapons, biological weapons, and space weapons, and greatly reducing conventional arms; and has taken a series of disarmament moves on its own."

Another reporter asked: What are your comments on the Fourth ASEAN summit?

[Duan Jin] "The Fourth ASEAN summit is an important meeting of the heads of the ASEAN member countries. The [words indistinct] agreement on the framework for ASEAN economic cooperation and the [?] jointly effective preferential tariff agreement adopted by the meeting will have a positive and far-reaching effect on strengthening political and economic relations between ASEAN member countries and on strengthening regional cooperation. We believe that, with the common efforts of all ASEAN member countries, ASEAN will gain greater vitality and play a more important role in Asian and world affairs."

Another reporter asked: Taiwan vice foreign minister Zhang Xiaoyan recently visited Latvia and signed a document aimed at developing consular-level diplomatic relations between Taiwan and Latvia, and China has diplomatic relations with Latvia. What are your comments on this?

[Duan Jin] "We oppose the idea of two Chinas or one China and one Taiwan. Our stand of opposing the efforts of countries that have diplomatic relations with China to develop official relations or exchanges of official nature with Taiwan is clear, consistent, and firm. We will respond to this problem."

Another reporter asked: On 27 January, UN Secretary General Ghali issued a statement on the Afghan issue. Do you have any comments on this?

[Duan Jin] "The Chinese Government has always called for a political solution to the Afghan issue. We support and applaud UN Secretary General Ghali's efforts to solve the Afghan problems politically and hope the United Nations will play an important part in accelerating the Afghan peace process."

#### **Baker Says 'Interested' in Arms Proposal**

*OW3001023392 Beijing XINHUA in English  
0154 GMT 30 Jan 92*

[Text] Moscow, January 29 (XINHUA)—U.S. Secretary of State James Baker said here today that Washington is interested in the latest proposal on arms reduction made by Russian President Boris Yeltsin.

Baker, now here attending the third phase of the Middle East multilateral peace talks, said U.S. President George Bush will discuss the proposals with Yeltsin in Camp David, Maryland, on February 1.

The secretary of state made the remarks during his meeting with Yevgeniy Shaposhnikov, commander-in-chief of the armed forces of the Commonwealth of Independent States (CIS).

Yeltsin announced on Wednesday that Russia has disarmed 600 land- and sea-based strategic ballistic missiles and is preparing to dismantle the launching systems aboard six nuclear submarines.

He said the production of TU-160 and TU-95ms heavy bombers is being stopped and the existing long-range air-based and sea-based cruise missiles are being dismantled.

The announcement was made on television only hours after Bush outlined Washington's disarmament plans.

Bush, in his State of the Union address, said the U.S. will further cut its strategic forces provided the nations from the former Soviet Union do the same.

Yeltsin reaffirmed Russia's obligations under the Nuclear Non-Proliferation Treaty and expressed the hope that Belarus, Ukraine, Kazakhstan and other Commonwealth members would join the treaty.

According to a CIS armed forces spokesman who attended the Baker-Shaposhnikov meeting, the two officials believe the current understanding and trust achieved between the CIS and the U.S. would be conducive to speeding up the whole disarmament process.

They agreed that the heads of state of the CIS should make constructive steps on military issues when they meet in the Belarussian capital of Minsk on February 14.

This suits the very interests of the peoples of all nations and helps guarantee stability in Europe and the whole world, they said.

Shaposhnikov said the prestige and the future of CIS hinges to a large extent on whether comprehensive defence questions can be addressed satisfactorily, the spokesman said.

#### **Yeltsin, Major Start Talks at Downing Street**

OW3001141592 Beijing XINHUA in English  
1237 GMT 30 Jan 92

[Text] London, January 30 (XINHUA)—Russian President Boris Yeltsin and British Prime Minister John Major began their talks at No. 10 Downing Street this morning on world security and cooperation in military and economic relations.

British officials said the meeting would last four hours, during which Yeltsin is expected to press Major to join the lead of the United States and Russia in cutting nuclear weapons.

Arriving at London's fog-shrouded Heathrow Airport, Yeltsin told reporters, "we also appeal to the nuclear countries—Great Britain, France and China—to follow our example."

Yeltsin was on his way to New York to attend the United Nations Security Council summit on Friday, which will be chaired by Major in his capacity as president of the council for January.

Yeltsin said he hoped to reach an accord with Major so that nuclear weapons in Russia need no longer be targeted at Britain.

British officials said Yeltsin and Major would sign a 10-point declaration on military and economic cooperation ending 40 years of Cold War.

Major was adamant that Britain will maintain its nuclear weapons including the Trident submarine system as minimum deterrent.

Britain ordered three Trident nuclear submarines from the United States to replace its ageing Polaris system. A fourth is on plan.

Referring to Western efforts to send food and medicine to help Russia after the demise of the Soviet empire, Yeltsin said, "I would not call it aid."

"It needs cooperation with different countries, especially Britain with which we have trade for centuries."

Yeltsin also denied the suggestion of his ill health by recalling American writer Mark Twain saying "rumors of my death are somewhat exaggerated."

Downing Street officials said there will be a press conference after Major and Yeltsin finished their talks this afternoon.

The two leaders will fly separately to New York for the Security Council summit. Before leaving, Yeltsin would also meet former British Prime Minister Margaret Thatcher.

#### **Article on Changes in International Relations**

HK2901070192 Beijing LIAOWANG in Chinese  
No 51, 30 Dec 91 pp 31-32

[Article by Ren Zhengde (0117 2973 1795): "Impact of Drastic Changes in Soviet Union and the World"]

[Text] Over the past two years, four major events have taken place in the world that have had a strong impact on the whole situation, the drastic changes in Eastern Europe, the reunification of Germany, the Gulf war and the drastic changes in the Soviet Union, of which, the last has had the greatest impact on the world situation as a whole and has led to a historic change in the world pattern.

The changes in the Soviet Union began long before this year, but the changes surfacing since August of this year have been all the more intense. The Union of Soviet Socialist Republics was completely dissolved, and the CPSU, which had been in office for some 70-odd years, not only lost power, but was also banned nationwide. In the wake of all the republics pronouncing their independence one after another, and Russia, Belarus, and Ukraine taking the lead in announcing the founding of a "Community of Independent States" on 8 December, USSR President Gorbachev and Russian Republic President Yeltsin decided through negotiation on 17 December to cease all activities of USSR central organs by the end of 1991, while completing the transition to new organs. Consequently, the USSR national flag was lowered on 1 January 1992.

Not long ago, the USSR, the first socialist country with the largest territory in the world, was a superpower that was all-powerful in world affairs, contending for hegemony over the world with the United States. Today however, it has disintegrated and has been reduced to several ordinary countries.

It is precisely because the USSR was once a superpower and was the first socialist country that the impact of its decline and dissolution is as wide and far reaching at many tiers in many arenas. Hence, the most profound changes since the end of World War II.

**1. The Disintegration of a Bipolar World System Headed by the Soviet Union and the United States, With the Formation of a Multipolar Pattern Accelerated.**

With the dissolution of the Soviet Union and the drastic decline in its national strength, the former USSR, a super-power which pursued global confrontation with the United States has been reduced to a "supporting role in full cooperation" with the United States, as the Western press has put it. Such a great change proclaims the official cessation of the bipolar structure characterized by the United States and the Soviet Union contending for world hegemony which surfaced in the wake of World War II, and the end of the "Yalta structure," which divided the world into spheres of influence between the United States and the Soviet Union. Consequently, the formation of a multipolar world pattern has been accelerated.

Historically, there have been two genuine cases of a globally significant changes in the world pattern. The first change took place after World War I. The Allies, including Britain, France, the United States, and Japan, conquered Germany, and a series of treaties were adopted at the Paris Peace Conference and the Washington Conference to the effect that German colonies were carved up, imperialist spheres of influences were redivided, and the "Versailles-Washington structure" came into being. The second change took place with the outbreak of World War II, which broke up the "Versailles-Washington structure." The war ended in the defeat of such fascist states as Germany, Japan, and Italy; Britain and France were weakened; and the strength and power of the United States and the Soviet Union were augmented. The "Yalta structure" took shape which was characterized by a bipolar U.S.-USSR confrontation. The recent changes in the world pattern can be said to be the third change. In actual fact, the bipolar structure of the United States and the Soviet Union contending for world hegemony had been continuously assailed since the beginning of the 1960's. The vigorous development of national liberation movements, the rise of the non-aligned movement, China's pursuit of a foreign policy of independence by taking the initiative in its own hands, and France's withdrawal from NATO's military structure all reflected that the U.S.-USSR bipolar structure did not enjoy peace and stability. If we regard the drastic changes of two, years ago in East Europe and German reunification as the overture to the total disbandment of the bipolar structure, the drastic change in the Soviet Union was the last fatal blow to that structure and which led to its complete disintegration.

At present, the United States remains the sole super-power in the world. The decline of the Soviet Union, the drastic changes in Eastern Europe, and U.S. victory in the Gulf war have strengthened her position and influence in the world somewhat. However, this has not changed in the least the grave domestic economic and social problems in the United States, nor has it changed the general trend of a relative decline in the balance of

power in the world. The United States wants to dominate the world and build a "unipolar world" with the United States in the lead, but her ability falls short of her wishes. At the same time, other world power centers such as Western Europe, Japan, and China continue to develop and grow. The world pattern from now on cannot be one of U.S. "unipolar" domination, nor will the U.S.-USSR bipolar structure recover. Despite the dissolution of the USSR, its successor, or Russia alone, should not be underestimated in terms of territory, natural resources, military strength and economic potential. From the angle of a general development trend, it will be "multipolarization."

**2. Drastic Change in the USSR Has Led to Further Relaxation in U.S.-USSR Relations and USSR-European Relations; Pace of U.S.-Soviet Disarmament Stepped Up; on the Other Hand, It Has Brought Unstable Factors and Difficult Problems to the World Situation, Especially Europe.**

The United States and the West European countries welcomed the drastic changes in the USSR. Endless arms races had long become a heavy burden to the United States and the USSR. In view of Soviet decline, the United States promptly stated that she would take unilateral action on nuclear disarmament, withdrawing all tactical nuclear weapons from Europe and dismantling short-range nuclear weapons deployed on warships and land based naval aircraft, while further cutting strategic nuclear weapons. In response to this, the USSR also stated its intention to dismantle tactical nuclear weapons and to hold talks on cutting strategic nuclear weapons by another 50 percent on the basis of the U.S.-USSR "Strategic Arms Reduction Treaty" initiated in July 1991. A new momentum has also surfaced regarding conventional disarmament. The USSR accelerated the withdrawal of its troops from Eastern Europe countries and NATO has also decided on a disarmament plan. Europe, where military strength has been most concentrated since World War II, has thoroughly ended a situation characterized by confrontation between two major military blocs.

The decline of the USSR resulted in new imbalance of global forces, primarily the grave imbalance in European forces. Europe is in the course of a large-scale reorganization; some former Warsaw Pact and CEMA member countries are applying for NATO or EEC membership. During the Cold War period characterized by East-West confrontation, the situation remained continuously turbulent, with hot spots arising and frequent wars in areas other than Europe. Today, some of those hot spots have disappeared and others cooled off; others are seeking political settlements. However, some parts of Europe have become very unstable and have an unpredictable future. Nationality and territorial disputes, economic chaos, social turbulence, political struggles, and various contradictions which had been masked by the East-West confrontation have burst out with a raging momentum.



The partition of Yugoslavia and its civil war are a conspicuous expression of the violent turbulence in Europe.

The West is not without worries about the changes in the USSR. First, they fear that with the disbanding of the USSR, there will not be an authority to do business with, therefore, the implementation of international agreements already signed along with the repayment of \$120 billion of debt owed to the West could be difficult; second, they fear for a loss of control over Soviet nuclear weapons; third, they fear that nationality disputes in the USSR could cause a chain reaction in Europe; and fourth, they fear that the USSR will follow in the footsteps of some East European countries with a new wave of refugees surging into the West due to turbulence in the situation and economic difficulties.

Although the drastic change in the USSR has not caused as great a shock in the Asia-Pacific region as in Europe, it has also promoted a reorganization of the balance of power in this region and the pattern is undergoing new changes. With the decline of the USSR, the U.S.-USSR military confrontation in the Asia-Pacific region has markedly reduced, which is favorable to the region's peace and stability. The waning Soviet threat to Japan led to a relaxation and improvement in USSR-Japanese relations. At the same time, contradictory trends in U.S.-Japanese relations are complicated and acute, and the former U.S.-Soviet confrontation and contention are likely to be replaced by U.S.-Japanese competition. The Japanese press believes that, in the future, the Asia-Pacific pattern "U.S.-Japanese-Chinese-Soviet quadrilateral relations will play a decisive role."

### **3. With the Relaxation of U.S.-USSR relations and East-West Contradictions, Contradictions Between Western Countries Have Become Aggravated With Increasing Friction.**

In the past, U.S.-USSR global confrontation, Western countries had the "Soviet threat" as the basis of their solidarity in resisting the USSR by joint efforts, which obscured and restricted contradictions between the Western powers. Today, the West's rallying force which shaped their joint forces to deal with the USSR has disappeared and the "the national interest is central" stands out. The basis of NATO and the Japan-U.S. Security Treaty have been shaken; U.S.-European and U.S.-Japanese contradictions and contradictions between various European countries have developed anew. The director of the U.S. World Economic Research Center, Fred (Bergsten) [0130 2706 2448 3326], has stated: "With the end of the cold war, the rope that used to bind the United States, Europe, and Japan together has been broken and the contradictions between them are escalating to major ones."

The contradiction in the contention over European leadership between the United States and Europe is becoming increasingly intense each day. Europe used to be the key in the U.S.-USSR contention. With the decline and waning of the USSR, who will dominate

Europe? The United States wants to augment its role through its control over NATO, while opposing Europe going its own way in defense, and is advocating the construction of a new European order with U.S. leadership. Western Europe however, wants to gradually get rid of U.S. control, while challenging the U.S. role as allied head by advocating a foundation for Europe's own defense. At the NATO summit in November this year, the United States and Europe reached an accord on strategic readjustment, however, they were acutely opposed to each other on policy issues toward the USSR and European defense, while the U.S. and French presidents even argued with each other. Mitterand said with regards to NATO, "the alliance is sound but not sacred," and "we cannot imagine that the United States will permanently dominate European defense." Aiming at that, Bush stressed that NATO is "the insurance for European security and stability" and that the very idea of placing the United States outside European affairs and defense "is an erroneous prerequisite." Putting it bluntly, he said that if Europe wants to eventually build its own defense system independently, "just spell it out today."

In the struggle to build "a new world order," Western Europe, Japan, and the United States all advocate building a new world order dominated by the West. However, they do not share the same view regarding the issue of leadership. The United States wants "a new order" under its leadership so that the next century will be a "U.S. century." Whereas West European leaders have stated that "peace under U.S. domination should not be forced on others." The Japanese said, the United States should "face squarely" their national strength and should try to avoid "obesity in the role she plays."

The contradictions between the various Western countries are most keenly felt in the economic arena. The U.S. media believe that with the conclusion of the East-West cold war, "an economic cold war inside the West has begun." With the changes in the USSR, Western Europe and Japan depend less on the United States for security and do not care for U.S. conflicts of interest concerning economic relations and trade. The economic rise of Western Europe and Japan has forced the United States to face an unprecedented economic challenge. In his 1991 report on "Strategy for National Security," Bush stated that the trade talks between the United States, Germany, and Japan had "important strategic significance similar to talks with the USSR on conventional arms control." Due to these conflicts of interest as well as the recent worldwide economic recession, none of them are willing to easily make concessions. As a result, the contradictions in economic relations and trade have become increasingly acute with each passing year. Arguments concerning subsidies to farm products seem to go on endlessly between United States and Europe, and have led to the postponement of the eighth round of talks on tariff and trade, which as of today, are without conclusion.

Changes in the USSR and Eastern Europe have resulted in an imbalance in Western Europe, with the balance of power leaning further toward Germany. In the course of the changes in Europe, Germany has benefited most. In the wake of German reunification, its population has increased to approximately 80 million and its economic strength is equivalent to that of France and Britain put together [sentence as published]. Relatively, the French and British positions have declined. Such changes have made Western Europe's internal contradictions all the more complicated and acute. What the Europeans worry about is the realistic issue of whether "an European Germany" or a "German Europe" will surface.

Regarding the internal contradictions in the West, Western countries will utilize various international mechanisms to conduct mediation and coordination through continuous dialogue; some issues are likely to find solutions. However, the conflicts of interest that have resulted from the imbalance in the general situation are developing and aggravating. No matter how Western countries coordinate, it is difficult for them to change the rising trend in their contradictions.

**4. Socialism Has Met Grave Worldwide Setbacks, Balance of Power Leans Toward the West. However, Peace and Development Remain the Two Major Themes in the World.**

The international socialist and communist movement is at a low ebb and the drastic change in the USSR is a grave setback. Some Western countries will accelerate "peaceful evolution" offensive against socialist countries and increase intervention in Third World countries. North-South contradictions will increase, while the gap between the haves and the have nots will widen. The struggle to build a just, equitable new world political order will be more complicated and difficult. On the other hand, such a condition cannot change the world theme of peace and development.

The peace issue refers to safeguarding world peace and opposing world war, while the development issue refers to developing the world economy, especially the need to gradually narrow, even eliminate, the gap in wealth between developing and developed countries in order to realize common prosperity. With the disintegration of the U.S.-USSR Cold war pattern, East-West relations will become increasingly relaxed and the process of nuclear and conventional disarmament will be accelerated. Viewing the present situation, no world war will take place. This is favorable to safeguarding world peace as well as economic development, because economic development is preconditioned by safeguarding world peace. All countries, especially developing countries, can only conduct their economic development in a peaceful international environment. The world today is far from having "peace on earth"; hegemonism and power politics have not disappeared. Nor have war and armed threats been exterminated. People will have to work even harder in their struggle for peace and development. Human society will always want to make progress.

Presently, the world is in a transitional period with a new pattern replacing the old, various contradictions overlap in its development, and the international situation is complicated and changeable. The drastic change in the USSR resulted in new changes in the balance of power and a reorganization of various forces along with bringing many uncertain factors to the world. How the USSR changes in the wake of its dissolution is the most uncertain factor. In any case, with the drastic changes in the world situation one point is clear, namely, several world powers are stepping up competition for comprehensive national strength with the economy and science and technology as the key. The result of this competition, which will go through a crucial phase in the 1990's, will have a direct bearing on the fate of all countries and will decide the future place of many countries in the world's multipolar pattern.

**Finance Minister Briefs IMF Group on Economy**

*OW3101070292 Beijing XINHUA in English  
0619 GMT 31 Jan 92*

[Text] Beijing, January 31 (XINHUA)—Chinese State Councillor and Minister of Finance Wang Bingqian met here today with a delegation from the International Monetary Fund (IMF) led by Hubert Neiss, director of its Central Asia Department.

Wang and Neiss exchanged views on China's economic situation and its cooperation with the IMF.

The IMF delegation is here for the annual consultations between IMF and China.

**Correction to Official on Copyright Law**

*CM3101162192*

The following correction pertains to the item headlined "Official on 'Implementation' of Copyright Law," published in the 30 January China DAILY REPORT, page 4:

Column two, paragraph two, sentence six, make read: ...of new concepts—patents, trademarks, and copyrights... (changing "patterns" to "patents")

**United States & Canada**

**XINHUA Reports Bush Economic Proposals**

*OW3101054192 Beijing XINHUA in English  
0519 GMT 31 Jan 92*

[Text] Washington, January 30 (XINHUA)—U.S. President George Bush today pressed the Democratic-controlled Congress to pass his economic rescue plan by March 20, the deadline he set in his State of the Union address.

"The American people want action; they deserve action," Bush told the Chamber of Commerce in Philadelphia. "It's time for Congress to do the same thing. It can be done in that time frame," he said.

Bush defended his proposal on the capital gains tax cut, the centerpiece of his economic plan to bring the nation out of the deep recession. "By freeing up investment, a cut in the capital gains tax creates new jobs for those looking for work and better jobs for those who want to move up."

In his State of the Union address, Bush proposed lowering the capital gains tax to 15.4 percent from 28 percent, but the congressional Democrats said the capital gains tax cuts benefit the wealthy and they want to give tax reductions mostly to the poor and the middle class.

Bush said, "a lower capital gains tax helps anyone who owns a small business or a farm, anyone who owns a home, anyone who has a single investment."

Yesterday, Bush met a group of business and civic leaders at the White House selling his proposals for tax breaks and got positive responses.

Chairman of the National Association of Manufacturers Dexter Baker [as received] said, "It's a very strong package for the manufacturing sector."

President of the National Association of Home Builders Jay Buchert said Bush's plan to reduce taxes for home buyers could help trigger up to 250,000 housing starts and 450,000 jobs in the housing industry. "The March 20 deadline is very, very important," he said.

U.S. officials said Bush's Philadelphia stop is the first in a string of trips in an effort to rally support to press Congress to take quick action on his economic recovery package.

While congressional Republicans rally behind Bush's plan, Democrats in both the House and the Senate expressed their willingness to cooperate with the President although they were continuing to pursue their priorities for higher taxes on the rich to finance tax relief for the middle class.

House Speaker Thomas Foley said Democrats would "cooperate with the President," but he added, to some extent, there was a sense of "combateness and challenge" in Bush's speech that he thought created some concern about the President's political motives.

Senate Majority Leader George Mitchell said Bush's attempt to establish a deadline for action doesn't mean anything because Congress already intended to act swiftly in light of the country's economic distress.

"It is the right thing to do," he said.

#### Comparison Analysis of Bush Speech

CM3101172092

Beijing XINHUA Domestic Service in Chinese at 1418 GMT on 30 January carries a news analysis of President Bush's State of the Union speech. This report has been compared to the XINHUA English version headlined, "XINHUA Views State of Union Address," published in

the 30 January China DAILY REPORT, page 8, revealing the following variation:

Column two, paragraph 17, only sentence reads: ...voters, but they will not actually stimulate long-term economic growth...(rewording)

#### United States Keeps Syria on Terrorism List

OW3101032092 Beijing XINHUA in English  
2242 GMT 30 Jan 92

[Text] Washington, January 30 (XINHUA)—Despite improved U.S. relations with Syria, the U.S. State Department will still keep Syria on the list of countries alleged to engage in state-sponsored terrorism, U.S. officials said today.

At the conclusion of the State Department's annual review, Secretary of State James Baker decided that there was no justification for removing Syria or any of the other five countries from the list, the officials said.

The other nations are Iran, Iraq, Libya, Cuba and the Democratic People's Republic of Korea.

Of that group, Syria is the only one with which the United States has normal relations. Washington has been improving its relations with Syria since 1990 after Syria agreed to take part in the allied coalition against Iraq, to participate in Arab-Israeli peace talks and to cooperate in the release of U.S. and other Western hostages last year.

But the State Department review concluded that Syria, despite improvements in its relations with the United States, should not be removed from the terrorist list.

Inclusion on the terrorism list bars countries from certain economic and trade benefits, such as the right to purchase sensitive U.S. technology.

However, some State Department officials who advocate Syria's removal from the list pointed out that the State Department had detected no direct evidence of Syrian involvement in any of the terrorist activities identified by the U.S. since 1987.

#### Personnel Minister Meets Canadian Officials

OW2801130792 Beijing XINHUA in English  
1209 GMT 28 Jan 92

[Text] Beijing, January 28 (XINHUA)—Chinese Minister of Personnel Zhao Dongwan met with Ercel Baker, chief executive officer of the Consulting and Audit Canada, and his party here this evening.

The Canadian delegation led by Baker, which is composed mainly of assistant deputy ministers, is here on a study tour to learn about China's political and economic situation as well as its reform and opening to the outside world.



### Northeast Asia

#### Wu Xueqian Attends Japanese Loan Accord Signing

OW3101031492 Beijing XINHUA Domestic Service  
in Chinese 1327 GMT 30 Jan 92

[Text] Beijing, 30 January (XINHUA) —The China International Steel Corporation signed an agreement with a Japanese banking group for a loan of \$34 million in Beijing today. State Council Vice Premier Wu Xueqian attended the signing ceremony.

Jointly provided by the Bank of Tokyo and seven other Japanese banks, the loan will be used for a steel rolling mill project to be constructed by Shanghai's Meishan Metallurgical Company. With a total investment of 1.3 billion yuan renminbi, Meishan's steel rolling mill is a key construction project with foreign funding under the Eighth Five-Year Plan. After completion, the project will have an annual production capacity of 1.15 million tons of hot-rolled steel plates and will help ease tight supplies of cold-rolled raw materials in our country. Moreover, it will also save a large amount of foreign exchange for the nation.

#### Japanese Ministries Disagree Over Rice Issue

OW3101102892 Beijing XINHUA in English  
1007 GMT 31 Jan 92

[Text] Tokyo, January 31 (XINHUA)—Japanese Agriculture Minister Masami Tanabu today disagreed with a senior Foreign Ministry official about Japan's rice policy.

The official, who asked not to be identified, has expressed his support for the opening of Japan's rice market.

He regarded tariffing imported rice as a way to avoid situations such as Japan being blamed for the possible failure of the Uruguay Round of multilateral trade talks.

However, Tanabu said the Foreign Ministry may be in charge of negotiations, but his ministry is in charge of the agriculture policy, according to government sources.

"They ought to listen to us carefully," he stressed.

At present, Japan still insists on a policy of banning rice imports for the sake of "food security" despite an appeal from the General Agreement on Tariffs and Trade for tariffing farm products.

#### Japan's Miyazawa Urges Approval of PKO Bill

OW2901114692 Beijing XINHUA in English  
1024 GMT 29 Jan 92

[Text] Tokyo, January 29 (XINHUA)—Japanese Prime Minister Kiichi Miyazawa today urged the House of Councillors to pass a bill to allow personnel in the nation's Self-Defense Forces (SDF) to participate in U.N. peace-keeping operations (PKO).

Miyazawa made the call at the plenary session of the 252-seat upper chamber which is dominated by opposition parties.

The bill, which has already approved by the powerful House of Representatives, will not become law unless both houses of the Diet pass it.

The Japanese prime minister said it does not violate the war-renouncing constitution, which prohibits the use of military force as a means to resolve international disputes.

Japan should make economic, technological and personnel contributions to the international community without a military threat to Asian and other countries, he added.

However, Japan's major opposition parties have said that the bill runs counter to the peaceful constitution.

#### DPRK Signs Pact Permitting Nuclear Inspection

OW3101034392 Beijing XINHUA in English  
0303 GMT 31 Jan 92

[Text] Vienna, January 30 (XINHUA)—The Democratic People's Republic of Korea (DPRK) signed an agreement today permitting international inspection of its nuclear facilities.

The agreement was signed by DPRK Deputy Nuclear Energy Minister Hong Kun-pyo and Director General of the International Atomic Energy Agency (IAEA) Hans Blix.

Pyongyang will now open all its nuclear sites to IAEA scrutiny.

IAEA inspections can only commence once the DPRK Government has ratified the agreement and presented a nuclear materials inventory to the agency.

Speaking after the signing ceremony at the IAEA headquarters in Vienna, Hong said Pyongyang would ratify the agreement "as soon as possible."

The DPRK signed the agency's Nuclear Non-Proliferation Treaty in 1985.

The treaty requires all signatories to negotiate and sign a further safeguards pact opening their plants to inspection.

On New Year's Eve, the two sides of Korea signed an outline agreement banning nuclear weapons from the Korean Peninsula.

This agreement will come into effect after February's 6th round of inter-Korean high level talks.

Reports have said the United States has already withdrawn all its nuclear weapons from the south side of Korea.

## Southeast Asia & Pacific

### Rewi Alley Memorial Foundation Set Up in Beijing

OW3001150292 Beijing XINHUA in English  
1406 GMT 30 Jan 92

[Text] Beijing, January 30 (XINHUA)—The Rewi Alley Memorial Foundation was formally set up here today.

Rewi Alley was an eminent New Zealand social activist, great internationalist and faithful friend of the Chinese people. In his 60 years of service to China he contributed outstandingly to the Chinese people's liberation and socialist construction.

The foundation aims to commemorate Rewi Alley and contribute to China's four modernizations through the promotion of the cause of industrial co-operatives, known as "Gung Ho" for short, originally created by Alley and other foreign friends such as Edgar Snow and Helen Foster Snow.

Present at today's meeting were Vice-Chairman of the National People's Congress (NPC) Standing Committee Chen Muhua and Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference (Cpcc) Wang Guangying.

Both Huang Hua and Kang Shien, members of the Standing Committee of the Central Advisory Commission of the Chinese Communist Party, serve as honorary chairmen of the foundation, Yang Bo, chairman of the International Committee for the Promotion of Chinese Industrial Co-operatives (ICCIC), serves as chairman.

Congratulatory letters from Chinese Vice-premier Zhu Rongji and Kang Shien were read out at the meeting.

In his speech, Huang Hua said that although Alley passed away more than four years ago, his achievements and great spirit will always live in the hearts of the Chinese people.

Huang expressed the belief that the establishment of the foundation will surely provide a new and effective channel to enhance co-operation between the peoples of China and New Zealand, and promote the cause of industrial cooperatives that Alley dedicated his life to.

Yang Bo, also member of the Standing Committee and vice-chairman of the Financial and Economic Committee of the NPC, briefed the participants on the preparations for the foundation.

Also delivering speeches at the meeting were Michael John Powles, New Zealand ambassador to China, and Israel Epstein, member of the Standing Committee of the CPPCC and vice-chairman of the foundation.

The meeting also read congratulatory letters from the Chinese People's Association for Friendship with Foreign Countries and the People's Government of Gansu Province, where Alley used to live.

Han Xu, president of the Chinese People's Association for Friendship with Foreign Countries, was also present on the occasion.

### Yang Visits Embassy During Malaysia Visit 11 Jan

OW1201095192 Beijing XINHUA Domestic Service  
in Chinese 1430 GMT 11 Jan 92

[By reporter Ding Baozhong (0002 1405 1813)]

[Text] Kuala Lumpur, 11 Jan (XINHUA)—President Yang Shangkun, who is currently on a visit here, went to the Chinese Embassy in Malaysia this afternoon to call on embassy personnel and representatives of Chinese missions in Malaysia.

When Ambassador Jin Guihua asked the president to make a brief speech, President Yang happily said: I want to say only two things: I wish you success in your work and good health; I hope you do your work still better.

Vice Premier Wu Xueqian and other personnel of Yang Shangkun's entourage also accompanied the president to call on the Chinese personnel in Malaysia.

### U.S. Envoy Visits SRV for Missing Soldiers

OW3001181392 Beijing XINHUA in English  
1339 GMT 30 Jan 92

[Text] Hanoi, January 30 (XINHUA)—U.S. President George Bush's special envoy John Vessey arrived here this afternoon for talks with Vietnamese leaders on the issue of the missing U.S. servicemen during the Vietnam war.

Vietnamese Foreign Minister Nguyen Manh Cam will hold talks with Vessey Friday on the settlement of the missing soldiers issue and on bilateral relations.

Defense Minister Doan Khue will also meet Vessey and his group, which includes five generals, on Friday afternoon.

This is Vessey's fifth visit to Vietnam. The visiting group is to stay for three days.

The problem of the missing U.S. troops during the Vietnam war has been a major obstacle to the normalization of U.S.-Vietnam relations. There are still 2,267 U.S. servicemen listed as missing in the Vietnam war.

Vietnam insists that the settlement of the missing troops problem should not be a prerequisite for the normalization of Vietnam-U.S. relations.

Vietnam says the missing troops problem is a humanitarian one, while normalization of relations is a political one.

### 130 Migrants Voluntarily Return to SRV

OW2901115492 Beijing XINHUA in English  
1034 GMT 29 Jan 92

[Text] Hong Kong, January 29 (XINHUA)—A group of 130 Vietnamese migrants returned to Vietnam today

under the United Nations high commissioner refugee's voluntary repatriation program.

Comprising 46 men, 31 women, 35 boys and 18 girls, they were the 88th batch to go back under the program.

The group brought to 1,191 the total number of Vietnamese migrants who have returned voluntarily this year, and to 15,170 the total number of returnees since the program started in March 1989.

Today's flight was the first to Ho Chi Minh City since the voluntary repatriation program began.

### Near East & South Asia

#### Israel's Levi Returns Home, Praises Visit

OW3001223992 Beijing XINHUA in English  
2205 GMT 30 Jan 92

[Text] Jerusalem, January 30 (XINHUA)—Israeli Foreign Minister David Levi returned home today from a visit to China and Moscow multilateral talks, describing his two missions as "important and successful."

Greeted by a crowd of cheering officials at the Ben Gurion International Airport, the foreign minister gave a lengthy briefing to foreign and domestic reporters, who had been waiting there to hear his personal assessments of the trips.

Levy, apparently in high spirit, said his visit to China, the first by an Israeli foreign minister was "very good," during which he signed an agreement with China on establishing diplomatic relations and inaugurated the Israeli Embassy in Beijing.

"We had very good talks (with Chinese leaders). The atmosphere was friendly and we agreed on cooperation in every field," he said.

Levy met with Chinese Premier Li Peng, his Chinese counterpart Qian Qichen and some other officials during his five-day stay from January 22 to 26. Both sides agreed to further cooperation in the fields of economy, agriculture and technology.

Levy said that he tried to find out what Chinese society is and saw "many very interesting things in China." "The people are very kind and cheerful. We saw plenty of goods in the markets. there is a very good atmosphere," he noted.

He disclosed that a seminar will be held soon with the participation of Chinese and Israeli physicians. But he did not said where.

The Israeli foreign minister flew to Moscow from Beijing Sunday to take part in the multilateral talks on arms control, water-sharing, economic cooperation, the refugee issue and environment in the Middle East.

At the talks, the first representing a broad range of Arab and non-Arab countries, Levy expressed Israel's willingness to talk about peace, development and cooperation, but he refused to the last minute to accept the participation of Palestinians from outside the occupied land and East Jerusalem.

U.S. Secretary of State James Baker showed flexibility over the issue by agreeing to the participation of Palestinian diaspora in future committee talks on refugees and economic cooperation. But he failed to convince the Jewish state, Washington's staunch ally in the region.

Levy predicted that the Palestinian side will raise the demand again for a role in future talks, but he said Israel will not back off from the Madrid formula, which excludes the Palestinians in exile from the peace negotiations.

He expressed regret over the absence of Syria and Lebanon from the Moscow talks, hoping the peace process will continue nonstop and a peace agreement will be signed between Israel and each of the Arab state concerned.

Syria and Lebanon boycotted the multilateral talks on the ground that little progress had been made in Arab-Israeli bilateral talks.

#### XINHUA Interviews UN Team Leader in Iraq

OW2901223692 Beijing XINHUA in English  
2039 GMT 29 Jan 92

[Text] Baghdad, January 29 (XINHUA)—A U.N. special team led by John Gee has conducted talks with Iraqi officials on the need regarding the long-term monitoring of Iraqi capacity to develop weapons of mass destruction.

In an interview with XINHUA today, Gee said, "during the past two-day's talks with the Iraqi side, we have put forward some questions and get a comprehensive answer of them," but he declined to disclose details about the talks.

The team is expected to hold another round of talks with Iraqi officials this evening, and the leader predicted that the talks would not be "positive."

The U.N. has accused Iraq of deliberately hiding something from the U.N. inspection teams which are now in the country to implement relevant U.N. resolutions.

The five-member team, which arrived Monday, will leave here tomorrow.

In a related development, a U.N. spokesman said earlier that Iraq's failure to provide requested information is viewed as a "serious obstacle to the implementation" of the long-term monitoring and verification of Iraqi obligations under the relevant security council resolutions.

The U.N. resolutions stipulate that Iraq must destroy its weapons of mass destruction under U.N. supervision.



Meanwhile, the seventh U.N. chemical weapons inspection team is currently carrying out its mission in Iraq, but no progress has been made so far.

#### Article Views 'Changes' in Algerian Situation

HK3001075692 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 4 27 Jan 92 pp 30-31

["Special dispatch" by Lu Dasheng (7120 1129 3932):  
"New Changes in Algeria's Political Situation"]

[Text] Paris, 17 Jan—The situation in Algeria has changed dramatically over the past week. Subsequent to President Chadli Bendjedid's resignation on 11 January because of pressure from all sides, particularly from the military, a Supreme Security Council formed by the prime minister, the defense minister, the interior minister, the justice minister, and military leaders held an emergency meeting announcing the cancellation of the second round of elections originally scheduled for 16 January and declaring a "temporary takeover of all powers involving and possibly threatening public order and national security." In the meantime, troops were sent to Algiers under the protection of tanks to block main routes to the capital city, guard government institutions, and surround the headquarters of the opposition Islamic Salvation Front [FIS].

Next, on the night of 14 January, the prime minister, chief justice, defense minister, army chief of staff, justice minister, and Constitutional Committee members held an emergency meeting, during which a decision was made to establish a five-member "Supreme Council" to take charge of state affairs, fill the vacant position resulting from the president's resignation, and to tackle the "serious crisis" in the country. The 72-year-old Mohamed Boudiaf, a veteran soldier against French aggression, assumed the chairmanship of the Supreme Council, which is composed of incumbent Defense Minister General Khaled Nezzar; Ali Kafi, secretary general of the National Organization for Veteran Soldiers Against French Aggression; Tedjani Haddam, chief of the Paris Mosque; and Human Rights Minister Ali Haroun.

According to analysis by political observers, this move was taken to prevent the opposition FIS, which has a strong religious flavor, from assuming power in Algeria. In particular, cancelling the second round of parliamentary election means the results of the first round will be annulled. During the first round of parliamentary election on 26 December last year, the first of its kind since Algeria's independence 30 years ago, the FIS won a decisive victory by obtaining 188 out of 231 parliamentary seats up for election. This victory suggests that the FIS would make further progress in the second round of the election and might even gain a two-thirds majority out of the 430 parliamentary seats. If this happens, it could revise the Constitution and form a new government. FIS Executive Board Chairman Abdelkader Hachani indicated that a presidential election would be

held immediately after the parliamentary election. Obviously, he wanted to seize the presidential position.

The FIS is a powerful religious force which has arisen in Algeria in recent years. It favors ruling the country according to the Koran and by relying on Allah. It stands for implementing Islamic law, building an Islamic nation, and forbidding female employment and coeducational schools. During local elections in June 1990, the FIS won a majority of seats and seized most local government powers. It now claims to have 2 million members and 7 million sympathizers, accounting for more than half of Algeria's voters and one-fourth of the total population.

A direct reason for the growth of the FIS and the gravity of the Algerian situation was the democratization process former President Chadli Bendjedid got underway by introducing a multiparty system. But the fundamental cause is the extremely difficult economic situation facing the country.

In February 1989, during Chadli's third presidency, Algeria revised its Constitution, deleting the word "socialism" from and adding a multiparty system to it. The FIS was legalized after being underground for many years. It grew rapidly and posed a constant challenge to the authorities and the ruling party. As a result, nationwide turmoil broke out in June and July 1991. In the meantime, all sorts of political parties sprung up everywhere. There are now more than 50 government-approved political parties. This has caused psychological confusion, social instability, and political unrest.

Due to a fall in international oil prices in 1986, Algeria is experiencing economic depression, because 98 percent of its foreign exchange income comes from oil exports. This finds expression mainly in a lack of foreign exchange, mounting inflation, falling industrial production, and mounting unemployment. According to incomplete statistics, Algeria's foreign debts now total up to \$25 billion; 75 percent of oil income (about \$12 billion) is used to repay foreign debt; 20 percent is used for grain and food imports and the remaining 5 percent is far from enough to meet the needs of factories and enterprises whose machinery and raw materials are imported from abroad. Therefore, factories have operated at under capacity for many years, equipment use rates range from 40 to 60 percent, production keeps falling (with the exception of oil and natural gas), and unemployment has reached 2.5 million, all of which provide conditions for social instability and FIS expansion. In this new situation, the FIS asserted that it will do whatever it can to oppose this anticonstitutional decision to cancel the second round of elections and to set up the Supreme Council. The opposition Socialist Forces Front [FFS], which came second in the first round of parliamentary elections (gaining 24 seats), and the former ruling party, the National Liberation Front [FLN], which came third in that election (gaining 16 seats), have also made statements opposing the termination of Algeria's "democratization process" and the present authorities.

Now all kinds of political forces in Algeria, particularly the FIS, the FFS, and the FLN are engaged in close consultations for possible new arrangements and reorganization. The political situation of the country is full of changeable factors and the development of the situation needs further observation. We can count on one thing, however: The military is playing and will continue to play a major role.

### West Europe

**Bundestag Delegation 'Affronted' by CPC Leader**  
AU3001184592 Munich SUEDEDEUTSCHE ZEITUNG  
in German 30 Jan 92 p 15

[Juergen Kahl report: "The Disappointing Result of an Official Trip"]

[Text] Beijing, 29 January—China's ambassador to Bonn, Mei Zhaorong, had set out to restore a more cordial atmosphere to the chilly relations between Germany and China. When he found the partner who appeared to be best suited for this kind of subtle dialogue, he used his good personal contacts with the leadership in Beijing. This is how Bundestag Vice President Hans Klein of the Christian Social Union and Chinese General Secretary Jiang Zemin (CPC) came to sit face to face in the latter's residence, Zhongnanhai, early this week. For a little while everything was amicable and courteous, then it became increasingly uncompromising and disturbing. After one and a half hours, the host rather abruptly ended the dialogue which would not become a dialogue and showed the German delegation out of his office.

"Johnny" Klein, otherwise not so easy to upset, but obviously stunned by the unexpected turn, later in a smaller circle described the meeting, which was intended to become more than just the highlight of the protocol of his "good will" mission, as an "affront." One of the five Bundestag deputies in his entourage referred to it as an "impertinent action with a smiling face." What the deputies were forced to listen to with mounting estrangement was a 40-minute lesson, in which the 65-year-old CPC head turned down flat Klein's deliberations on the subject of human rights and political freedoms. The general secretary began with a monologue about the Chinese preference for German culture. Then he recounted how, as a young man, he found enlightenment by reading the works of Marx and Engels. Finally, he gave a lecture on the founding of New China, which will not be told what course to pursue—least of all by the old colonial powers.

Had the vice president of the Bundestag and his delegation prepared themselves better for the journey they would not have been surprised by the contents of this message. It is part of the standard repertoire in Beijing. British Prime Minister John Major and U.S. Secretary of State James Baker had to put up with a discourse that was equally unbending in substance. Nevertheless, there

are also recent reasons for Jiang Zemin's irritation and the way in which he affronted the German delegation. China is disappointed that political relations with the united Germany are not yet as good as those with, for example, Italy, Spain, and Portugal, countries that are unrolling the red carpet for Li Peng as if nothing ever happened.

Even before the visit by the Klein delegation, Deputy Klaus Kuebler of the Social Democratic Party of Germany had to experience how obviously, even two and a half years after the massacre in Tiananmen Square, little willing Beijing's leading communists are to make the resumption of closer ties easier. When the deputy chairman of the Foreign Committee visited the country in early January, he was told to his face that Beijing is not considering amnesty for the leading dissidents in prison. Ambassador Mei Zhaorong struck a somewhat more optimistic note when he bid farewell to the Bundestag delegation, which left for Shanghai, by making a cryptic diplomatic statement, according to which the release of prisoners would not be officially announced but confirmed upon request after it was carried out. So far any requests to the Beijing Justice Ministry in this connection have been answered in the negative.

### Li Peng on Sino-Italian Trade, Other Issues

HK3101023892 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 30 Jan 92 pp 1, 4

[By Zhao Zijian (6392 1311 0256) and Zhu Yunlong (2612 0061 7893): "At Meeting with Italian Media, Li Peng Terms Visit to Italy Fruitful"]

[Text] Rome, 28 Jan (XINHUA)—Prior to the conclusion of his official visit to Italy, China's Premier Li Peng met chief editors and journalists of 17 Italian news organizations in the Rome Hotel on the afternoon of 28 January, saying that his visit to Italy, though brief, had been a fruitful one. He said: "For the past two days, I have held talks with Prime Minister Andreotti on international issues and bilateral relations. I also met with President Cossiga, the presidents of both the Senate and Chamber of Deputies, leaders of the Christian Democratic Party and the Socialist Party, the president of the Institute for the Reconstruction of Industry [IRI], and the chairman of the National Hydrocarbons Corporation [ENI], the chairman of the General Confederation of Italian Industry, and a number of entrepreneurs. Both sides had quality discussions, and we have accomplished our goals of seeking peace, friendship, and cooperation. We are satisfied with the results of the visit."

[Unidentified Reporter] What are the prospects for developing relations between China and the EC?

[Li Peng] China has been implementing the policies of reform and opening-up that were initiated by Comrade Deng Xiaoping for 12 years, during which great achievements have been made. Reform and opening to the outside world has changed the face of China immensely, has boosted national strength, and has improved the

people's livelihood. Achievements in improvement and rectification have been made in the last three years. Currently, the political and economic situation in China is fine, and we are going to speed up the pace of reform and opening up. Western Europe has solid economic strength and advanced science and technology. There is traditional friendship between the peoples of Western Europe and China. China wishes to expand its cooperation with all member nations of the EC; this certainly includes cooperation with Italy. We have reason to believe that the prospects for developing relations between China and Italy as well as between China and the EC are extremely wide-ranging.

[Reporter] What are China's views on the establishment of a new world order, which the international community is currently seeking?

[Li Peng] The establishment of a new international order is a matter of common concern. What is most important to me is the identification of a common goal conducive to both peace and development. Peace and development are the two main themes of the present era, which are far from being practically resolved. Therefore, the Five Principles of Peaceful Coexistence and other principles with similar content should be the basis for the establishment of a new order. These principles center on noninterference in one another's internal affairs and respect for the rights of the people of all countries to determine their own destiny. All nations, irrespective of whether they are large or small, poor or rich, strong or weak, and no matter what social system they practice or what ideology they uphold, are equal members of the international community and should be entitled to contribute toward setting up a new order.

[Reporter] Last July, the Italian-Asian Association held a meeting on strengthening Sino-Italian relations. The prime minister of Italy also attended that meeting. We are preparing to hold the second meeting in Beijing this year. What is your view on this?

[Li Peng] The Chinese Government supports all activities which are aimed at enhancing friendship between the peoples of China and Italy and promoting the development of the cooperation and relations between the two countries.

[Reporter] As far as we know, a greater part of the profits in China's economy come from private enterprises while one-third of state-run enterprises incur losses. State-run enterprises are the pillar of a socialist country. How do you treat these state-run enterprises?

[Li Peng] The information you have is incorrect. At present, the state-owned economy of China accounts for about 55 percent of gross industrial output value and profits tax paid by state-run enterprises to the state makes up about 70 percent of total profits. Contributions made by state-run enterprises toward the state and the people are far greater than those made by private enterprises. I do not mean to belittle the role of the private enterprises here because private enterprises are a

useful supplement to the publicly owned economy under our socialist system with Chinese characteristics.

This morning, I met the president of IRI. Present at the meeting was the general manager of the China National Petrochemical Corporation—one of the largest state-run enterprises in China. IRI's turnover is \$40 billion a year and that of the Petrochemical Corporation is \$25 billion a year. I asked them: "How are your enterprises run?" They all answered: "They are run very well." Of course, some state-run enterprises in China are not ideally managed and have incurred losses. This has happened for many reasons: On the one hand, burdens are too heavy, and the state has imposed more taxes on them; on the other hand, there is also a problem of mechanisms. Therefore, the focal point of our reform in the future is to transform the mechanism of these state-run enterprises so that they can really operate independently with sole responsibility for profits and losses and gear their production to the needs of the market. The competitive mechanism is to be introduced into these enterprises, and their products are to be tested by the market.

[Reporter] Does China feel "isolated" now that it has become the largest socialist country after the Soviet Union vanished? Has the disintegration of the Soviet Union had any impact on China?

[Li Peng] We do not feel "isolated." You see, we have come across many friends during our visit to Italy this time. We do not say that there has been no impact at all; nevertheless, the impact has not been great. Although the two countries have been practicing socialism, the policies that have been implemented were different. The USSR, for a considerably long period, had engaged in the arms race while China focused on economic construction. With more than a decade of reform and opening up, China has developed its economy and its people have achieved real results. Reform in China is being carried out in a stable political atmosphere. I do not know whether this reporter has gone to Beijing and Moscow or not. So long as we make a comparison and look at the situation in the shops, we can come to a conclusion. The Chinese people feel very proud and are fully confident about establishing socialism with Chinese characteristics.

[Reporter] How will you carry out political reform?

[Li Peng] China's political reform has been carried out simultaneously with economic reform. When we talk about political reform, it is, first of all, necessary to give full play to the functions of the people's congresses at various levels. The National People's Congress [NPC] is the highest organ of state power in China. The government has to periodically report to the NPC, which exercises supervision over the work of government. Second, it is necessary to bring out the role of CPC-led multiparty cooperation and political consultation. China has eight democratic parties, which are parties participating in government and political affairs but not opposition parties. Over a long period, they have established



close cooperation and relations with the CPC and their role must be continuously brought into play in the future.

Third, it is necessary to arouse the enthusiasm of the broad masses of the people in supervising, assisting, and supporting the government. Besides these things, we should further strengthen democracy and the legal system. China's democracy is a broad democracy which suits its own state conditions.

[Reporter] It is said that a regional economic group is to be set up in Asia. The United States has expressed worries about this. What is your view? What are the economic relations between China and the Asia-Pacific nations?

[Li Peng] Asia has no regional economic group that looks like the EC, except the Asia-Pacific Economic Cooperation Conference. Not long ago, Prime Minister Mahathir Bin Mohammed of Malaysia initiated the establishment of an East Asian Economic Group. As China is situated in the Asia-Pacific Region, it must naturally develop economic cooperation with peripheral countries. Such cooperation is not exclusive. China's volume of trade with Japan amounted to \$22.4 billion in 1991 and Japan is China's biggest trade partner. China's trade volume with Italy reached \$23 billion last year and Italy became China's second biggest trading partner in the EC, just next to Germany. China will have many construction projects in the coming 10 years. Yesterday, China signed a contract for an ethylene project with a value of \$150 million with Italy. Should there be a few more contracts to be signed in the future, the volume of trade between China and Italy will rise further. China's total imports reached \$63.8 billion last year and China will import advanced technology, equipment, and vital raw materials with a value of some \$300 billion over five years. From this, it can be seen that China is a large market. So long as Italian products are competitive, Sino-Italian economic relations and trade will surely develop to a new level on the basis of equality and mutual benefit.

#### 'Text' of Li Peng Switzerland Arrival Statement

HK3101020292 Beijing RENMIN RIBAO in Chinese  
29 Jan 92 p 6

[Report by Ma Shikun (7456 0013 3824): "Li Peng Reads Written Statement at Zurich Airport, Hopes China, Switzerland Will Develop Long-Term, Steady, Friendly Relations"]

[Text] Zurich, 28 Jan (RENMIN RIBAO)—Chinese Premier Li Peng, who is paying a visit to Switzerland, read a written statement when he arrived at Zurich Airport today. The following is the full text of his statement:

At the invitation of the Swiss Government, I am very happy to visit your distinguished country. I would like to take this opportunity to extend cordial greetings and the best wishes of the Chinese people to the Swiss people.

Switzerland is an industrialized nation with a developed economy, advanced science and technology, and beautiful scenery. The industrious and ingenious people of Switzerland have worked hard and have achieved notable successes in national construction. The Chinese people are very happy for them.

Switzerland was one of the first Western countries to recognize and establish diplomatic relations with China. There is a long history of friendly contacts between China and Switzerland. Despite their different social systems, the two countries share an interest in safeguarding world peace and promoting common progress. The Chinese Government has always respected Switzerland's neutral status and considers the growth of Sino-Swiss ties to be important. China sincerely hopes to develop lasting and stable friendly relations and cooperation with Switzerland by seeking common ground while reserving differences through mutual respect, noninterference in each other's internal affairs, equality, and mutual benefit. During the current visit, I will hold talks with Swiss leaders on international issues and bilateral relations. Thanks to the satisfactory arrangements made by the host, I believe that my current visit will certainly be a success.

During my stay in Switzerland, I will also attend the 1992 meeting of the World Economic Forum in Davos at the invitation of Chairman Klaus Schwab. At the meeting, I will give an account of China's economic development situation and the progress made in the reform and opening policy. I believe that this will be conducive to increasing mutual understanding and cooperation between China and the international community.

### East Europe

#### Trade Policy Relaxed on E. Europe, Former USSR

HK2801123392 Hong Kong CHING CHI TAO  
PAO in Chinese No 3, 13 Jan 92 p 8

["China Economic News" article: "Relax Trade Policy on Former USSR, East European Countries"]

[Text] According to information, the appropriate department has formulated a policy on continuing and developing trade with the former Soviet Union and East Europe, and the major contents are:

Among localities and enterprises, suitably relax the restriction on importing electrical and mechanical products through barter trade from the abovementioned countries. If funds are available, the needed aircraft, automobiles, general electrical and mechanical instruments, and sets of large facilities prescribed by the Eighth Five-Year Plan can be imported. In addition, specify a certain quota for enterprises to choose and organize the importation of technology to improve and develop the mechanical products, aircraft, large trucks, heavy trucks, and special cars needed by agriculture.

The units which have already practiced spot exchange trade and have imported raw materials commodities such as chemical fertilizers, timber, and steel can be listed on the spot exchange import plan. When enterprises and localities import the goods which were originally subject to the state's quota management through barter trade, the State Planning Commission may give appropriate consideration.

Encourage localities and enterprises to go to the former Soviet Union and East European countries to establish joint venture enterprises, bonded warehouses, and shops. Enterprises must, however, take the risk and raise funds themselves.

When units export goods to Hungary and Poland to make up for the unfavorable trade balance with the two countries, they can enjoy the preferential treatment of retaining 10 percent of the foreign exchange.

### Latin America & Caribbean

#### Vice Premier Zou Jiahua Meets Cuban Visitors

OW2401081192 Beijing XINHUA in English  
0800 GMT 24 Jan 92

[Text] Beijing, January 24 (XINHUA)—Chinese Vice-Premier Zou Jiahua met here this afternoon with a delegation from the Cuban State Price Committee, which is led by Committee President Arturo Guzman Pascual.

As guests of China's State Administration of Commodity Prices, the Cuban officials are here on a 10-day visit to learn about China's price reforms.

Apart from Beijing, the group has toured Haikou and Shanghai.

**Political & Social****Wang Zhen Message Urges Adherence to Socialism***OW3101133192 Beijing XINHUA Domestic Service  
in Chinese 0732 GMT 31 Jan 92*

["PRC Vice President Wang Zhen's New Year's Greetings to People Throughout the Country"; XINHUA notes remarks were originally published in ZHONGHUA YINGCAI No. 3, 1992]

[Text] Beijing, 31 Jan (XINHUA)—The 1992 Spring Festival is coming. I am glad to extend, through ZHONGHUA YINGCAI fortnightly, my sincere regards and wishes to people across the country. I also would like to express my thanks to friends from various countries for their concern and support for development in all fields of endeavors in China.

In the past year, our country achieved tremendous success in various socialist endeavors. We firmly upheld the four cardinal principles, opposed bourgeois liberalization, and consolidated and developed political stability and unity. While improving the economic environment and rectifying economic order, we steadfastly upheld the reform and open policies, basically attaining our principal goals and achieving sustained, stable, and coordinated development in the national economy. In particular, we conquered rarely seen devastating floods, managing to reap bumper agricultural harvests in a year marred by major disasters. Great strides were made in various endeavors, such as education, science and technology, culture, sports, public health, journalism, and publishing. In foreign affairs, we maintained our independent foreign policy, further developed good-neighborly and friendly relations with bordering countries, and expanded friendly contacts with various countries in the world. These are ample evidence that the party's third-generation collective leadership with Comrade Jiang Zemin as the core is highly effective and worthy of the full confidence of the entire party, the whole army, and people of all nationalities throughout the country. They demonstrate the merits of the socialist system and the enormous rallying force of the Chinese nation.

Our country still faces arduous tasks during the new year. Only eight years are left for achieving the goal of quadrupling the gross national product in the national economy before the end of this century. These eight years are crucial to consolidating and developing the socialist system. In particular, China's adherence to the course of socialism, reform, and openness amid changes in the current international situation is of momentous significance to the entire international communist movement, as are its efforts to improve the economy.

In carrying out economic construction and reform and opening to the outside world, we must always maintain the socialist orientation, and a stable and united political environment. So long as we maintain the four cardinal

principles and the general principle of reform and openness, we certainly can preserve and develop political, economic, and social stability, and ensure that our country's modernization drive will advance along the socialist course.

Spring is a season that brings hope to the people. I would like to convey my best wishes to people throughout the country.

I hope that the working class will achieve more successes by displaying the spirit of Ironman Wang and an exceptional fighting style during the new year.

I hope that my peasant brothers sow the seeds of hope in the spring breeze to create more years of plenty.

I hope that commanders and fighters of the People's Liberation Army and the Armed Police Force will become Lei Feng-style good fighters.

I hope that the broad ranks of cadres, scientific and technological workers, and intellectuals, and all democratic and patriotic people will perform new meritorious feats for the motherland's overall progress.

I hope that compatriots from Hong Kong, Macao, and Taiwan, and Chinese nationals living abroad will make new contributions to the Chinese nation's prosperity.

In conclusion, let us together wish the great motherland new victories in its march toward the ranks of world powers.

**Daily on Changing Workstyle, Implementing Policy***CM3101144292 Beijing RENMIN RIBAO OVERSEAS  
EDITION in Chinese 31 Jan 92 p 1*

["RENMIN RIBAO Editorial: Change Workstyle and Vigorously Implement Policy"—XINHUA headline]

[Text] Beijing, 30 Jan (XINHUA)—During his recent inspection tour of Jiangsu Province, Comrade Jiang Zemin emphatically pointed out that, to fully understand and carry out the party's basic line and to build socialism with Chinese characteristics, we must work in a down-to-earth manner and must not work just for form's sake. Comrade Jiang Zemin raised, in a timely manner, the issue of changing workstyle, grasping the vital problem in our current work.

The reason that the issue of workstyle is of particular importance currently is that, as pointed out by Comrade Jiang Zemin, the central authorities have laid down the basic principles and policies, and the key problem now is to apply ourselves to carrying out work in various fields. Line, principles, and policies, however good they may be, would be just empty slogans if they cannot be implemented.



Implementation means to turn the party Central Committee's decisions into the deeds of the vast numbers of cadres and the masses, and to achieve actual results and expected objectives.

To practice what the party has decided, we must work in a down-to-earth manner, go deep into reality, integrate ourselves with the masses, conduct investigations and studies, and solve practical problems. Simply making empty urgings to the public and not doing any practical work will not solve any problems. To do work well means to do work conscientiously and effectively. If work is not conscientiously and effectively done, it is no less than doing nothing. Every comrade should understand this.

Problems are contradictions [mao dun 4243 4163]. Contradictions exist everywhere. The world will not exist if there are no contradictions. To solve widely-existing problems, we must lay down general principles so that people have something to follow. On the other hand, contradictions are specific—contradictions in different things and periods have their special characteristics. To do our work properly, we should strive to find out, under the guidance of the established general principles, the special characteristics of the contradictions we are dealing with and take measures designed to address specific problems, in order to thoroughly solve these contradictions or problems.

Each contradiction is different from another. No two things in this world are exactly the same. To solve contradictions, we must make a thorough analysis of a problem and take different measures according to different circumstances. To leading organs and leading cadres, this means that they should integrate general urgings with individual instructions, and carry out what they urge by giving individual instructions. In addition, they should unceasingly improve and enrich the contents of their general urgings so as to continue to drive work forward.

To give particular guidance, we must go right to the front lines of production and work, consult the cadres, learn from the masses, and together analyze what causes the problem to find out the solutions. Whenever we do so, the results are good.

The problem at present is that some leading organs and comrades are busying themselves with meetings, issuing documents, and routine activities of various kinds. They do not have the time nor energy to thoroughly study practical problems and solve them. This must be tackled and corrected.

Meetings must be held, and documents be handed out, if they are essential; routine activities cannot be called off completely, either. However, leaders should not concentrate their main effort on these things, much less be content with them. If they are content with holding meetings and issuing documents, and do nothing to

implement policies, they are practicing formalism. Formalism, routinism, and bureaucracy not only cannot solve practical problems, they will create more problems.

Further implementing policies requires hard work. Leading cadres must foster the spirit of serving the people wholeheartedly, become one and closely bound up with the masses, and share the comforts and hardships with them. It was of profound significance when Comrade Jiang Zemin put forward the idea of integrating the effort of changing workstyle with that of building a clean and honest government.

As Comrade Deng Xiaoping incisively puts it: "Leadership means service." Service means accomplishing practical deeds for the masses, helping them solve problems, and giving them practical interests. Vigorously implementing policies is a question of workstyle and work method, as well as a question of leading cadres' sense of responsibility. In this new year, we hope that cadres at all levels will work conscientiously and practically with the spirit of being highly responsible to the masses, do more practical and good deeds for the masses, and make actual contributions to building socialism with Chinese characteristics.

#### XINHUA Reports Lunar New Year Preparations

OW3101125792 Beijing XINHUA in English  
1200 GMT 31 Jan 92

[Text] Beijing, January 31 (XINHUA)—"The Spring Festival? It's a series of eating, shopping, and reuniting of the young and old," said Ma Donghuang, worker from a shoe factory in Beijing.

Memories of sparsely stocked shelves years ago have been crowded out by the sight of excited crowds pressing to buy from stores stuffed with goods as varied as they are abundant, as the Spring Festival or the Lunar New Year of the Monkey is approaching.

Karaoke and disco halls this year will be attractive places for the young during the three-day holiday starting from February 4, but most residents are still keen on dressing their houses with traditional lanterns and new year scrolls and preparing for a family gathering.

Tiananmen Square lies quiet just a few blocks away from the mass of hometown-bound people thronging the Beijing Railway Station.

Fan Jingxiu, Beijing's tourist official, said 50 percent of rooms in the largest hotels have been booked, 30 percent more than last year.

Worry-free traders from China's textiles, machinery, and electronics export giants are hosting new year parties at which they cheer the monkey as their lucky star for a successful business.

The Monkey-King Sun Wu Kong, famous in Chinese legend, is a hero who made an arduous and long journey to the west and finally reached his destination.

But not every one caught the spirit.

### Deng Stops in Guangzhou, Sees Provincial Leaders

HK3101031792 Hong Kong WEN WEI PO in Chinese  
31 Jan 92 p 1

[By staff reporter Kuan Chi-yun (7070 7871 0061): "Deng Xiaoping Passes Through Guangzhou, Encourages Cadres To Do More Practical Work in Down-to-Earth Manner"]

[Text] Guangzhou, 30 Jan (WEN WEI PO)—After inspecting and touring Shenzhen and Zhuhai for five days, Deng Xiaoping passed through Guangzhou by train yesterday. He made a brief stopover and stressed the need to continue to do as much practical work as possible in a down-to-earth manner.

The special train which carried Deng Xiaoping slowly drew into Guangzhou Station at 1745 yesterday. The persons in charge of the Guangdong provincial party committee, government, people's congress, Chinese People's Political Consultative Conference committee, advisory committee, and discipline inspection committee, and the Guangzhou Military Region, as well as the chief leaders of Guangzhou city, more than 70 in total, met him and saw him off at the station. On the platform, Deng Xiaoping had a group photo taken with the provincial and city leaders and working personnel. He also encouraged everybody to continue to do as much practical work as possible in a down-to-earth manner, engage in less empty talk, and make great contributions. At approximately 1800, Deng Xiaoping left Guangzhou by train.

### Visit South 'Blow' to Conservatives

HK3101025892 Hong Kong SOUTH CHINA  
MORNING POST in English 31 Jan 92 p D-4

[By Cheung Po-ling]

[Text] The visit to southern China by Deng Xiaoping, the architect of the country's reform programme, should be viewed as a blow against any attempts to roll back his policies which have been applauded both at home and abroad, mainland analysts said.

They added that the fact that Mr Deng had chosen to re-appear in the Shenzhen Special Economic Zone (SEZ) after a year's absence from public view carried wide implications.

The SEZs had been considered the "showcase" of the decade-long policy of economic reform and "opening to the outside world" that had been implemented by the Chinese leaders.

"The messages given by Mr Deng in the SEZs are very encouraging," said an analyst.

"By means of re-affirming the role of the SEZs, Mr Deng illustrates his determination to continue his pragmatic political approach and counter any attempts to roll back his reform policies.

"There are growing indications that reformists led by Mr Deng have launched a campaign to block interference by hard-line ideologues in order to speed up the pace of reform this year," he said.

In the wake of the abortive coup attempt to overthrow former Soviet president Mikhail Gorbachev last August, and the subsequent dissolution of China's communist neighbour at the end of last year, the conservative wing of the Chinese Communist Party had made use of the situation to wage a full-scale "anti-peaceful evolution" campaign to thwart the progress of further reform.

Nearly all the major government propaganda machines such as the PEOPLE'S DAILY [RENMIN RIBAO], the GUANGMING DAILY [GUANGMING RIBAO] and the BEIJING DAILY [BEIJING RIBAO] had been controlled in the past year by the conservatives to promote the drive against "peaceful evolution."

In order to redress the situation, Mr Deng had intervened during the Eighth Plenary Session of the Communist Party's 13th Central Committee last November in which he managed to consolidate his strategy of "economic construction" as the nation's prime task, according to analysts.

Speaking from Shenzhen's tallest building overlooking Hong Kong, Mr Deng reiterated the call for building "several Hong Kongs" on the mainland and expressed his wish to visit the SEZs.

"Mr Deng's visit to the Guangdong Province has three implications," said a diplomat.

"First, he has tried to strengthen the policy of economic construction as the nation's primary task.

"Second, his idea was to boost the confidence of Hong Kong people towards China.

"And last, but not the least, Mr Deng wanted to reassure the West about China's determination to implement its open policy.

"This is very important especially at a time when Premier Li Peng is visiting Western Europe and the United States for the first time since the 4 June incidents," he said.

Mr Li, who ordered the military crackdown on the 1989 pro-democracy student movement, is regarded as one of the most unpopular leaders by many Western politicians.

"His current visit to Europe and his participation in the UN Security Council summit in New York is a triumph of China's diplomatic and domestic policies," said a diplomat.

"Of course, Mr Deng would feel very happy about it.

"So what he is doing in southern China will also help Mr Li score a resounding success in promoting China's policy overseas."

**Zhou Nan Says Deng Xiaoping in 'Robust Health'**

HK3101020392 Hong Kong SOUTH CHINA  
MORNING POST in English 31 Jan 92 p 3

[By Daniel Kwan]

[Text] China's patriarch, Mr Deng Xiaoping, believes he will be able to visit Hong Kong in 1997 when he will be 92-years-old, according to Mr Zhou Nan, China's top envoy in Hong Kong.

The local Director of the NEW CHINA [XINHUA] NEWS AGENCY, who met Mr Deng in Shenzhen last week, said: "I found him very healthy. He walks shiftily, (appears to be) quick-witted and his mind is clear.

"Of course, he very much would like to visit Hong Kong in 1997. He always believes he can make it."

Mr Zhou was by far the most senior Chinese official to have directly commented on the physical fitness of the 87-year-old retired leader, who was in Guangdong on an inspection tour.

In an interview with local television stations yesterday, Mr Zhou said he was impressed by the robust health of Mr Deng.

"Judging from his present health conditions, I don't see any problems for him to visit Hong Kong in 1997," he said.

According to Mr Zhou, Mr Deng still showed a great deal of interest in Hong Kong, although he had retired from all government and party positions last year.

"He is very concerned about Hong Kong, even right from the beginning when we had the negotiations between China and Britain (on the future of Hong Kong)," Mr Zhou said.

**Paper Reports Deng Prostate Operation in 1976**

HK3101103492 Hong Kong AFP in English 1005 GMT  
31 Jan 92

[Text] Beijing, Jan 31 (AFP)—Chinese senior leader Deng Xiaoping underwent surgery for an inflamed prostate gland in 1976, an official publication reported for the first time Friday.

Deng, now 87, was operated on at the People's Liberation Army General Hospital for prostatitis and "recovered very quickly" from the surgery, the Digest News [WENZHAI BAO].

Deng's health is a topic of great concern in China, with some observers expecting a power struggle after he dies.

Unconfirmed foreign reports have said that the father of China's opening and reform policies was suffering from prostate cancer.

Deng appeared relatively healthy for his age on a tour of southern China this week. He officially retired from his last official post in March 1990, but continues to wield considerable influence.

The entire sixth floor of the military 301 Hospital here was set aside for Deng's operation, the newspaper said.

Just before his surgery, Deng had been purged for the third time.

The diminutive leader was coming under severe attack from leftist forces within the party, but Marshal Ye Jianying made it clear that his health must be maintained, the newspaper said.

Two years later, Deng returned to power to launch his reform program in 1978.

Prostate problems are common among elderly men. The function of the gland, which surrounds the neck of the bladder, is the production of a liquid component of semen.

**Commentary Views Political Situation, Deng Line**

HK3001134792 Hong Kong WEN WEI PO in Chinese  
30 Jan 92 p 5

["Special Commentary" by TZU CHING special commentator: "CPC To Advance Along Deng Xiaoping's Line—Perspective on Mainland Political Trend"]

[Text] The Year of the Ram has gone and the Year of the Monkey has just started. What will the political trend on the mainland be like in the coming year? With the approach of the 14th CPC National Congress, all kinds of conjectures and views have appeared here. In this article, I would like to give some of my humble views.

**CPC Announcement That 14th CPC National Congress Will Convene as Scheduled Reflects Normal Political Life Within Party**

The CPC Constitution stipulates that the national party congress must be held once every five years and must only be postponed in exceptional circumstances. Therefore, overseas people have seen from past years that whether or not the CPC National Congress is held as scheduled can usually be taken as a wind vane in judging whether the political life of the top-level CPC leaders is normal.

Looking back on CPC history, the party has held six national congresses since the founding of the state but only two were held on schedule: The 12th CPC National Congress held in 1982 and the 13th CPC National Congress in 1987. The others were either advanced or postponed under "exceptional circumstances." For example, there were 13 years between the Eighth CPC



National Congress, which was held in 1956, and the Ninth CPC National Congress, which was held in 1969. During that period, we experienced the soul-stirring disturbance of the "Cultural Revolution." Large numbers of leaders, who had rendered outstanding service and enjoyed high prestige and commanded universal respect, were persecuted to death or were "overthrown" and removed from the leading body. At the same time, the key elements of the Lin Biao and Jiang Qing faction had sneaked into the Central Committee. Some had even sneaked into the core of the CPC leadership. The 10th and 11th CPC National Congresses were both advanced and held one year early because, during those periods, the incidents of Lin Biao's unsuccessful coup and the arrest of the "gang of four" occurred. From this we can see that there were "exceptional circumstances" for postponing or advancing those national congresses.

At the Eighth Plenary Session of the 13th CPC Central Committee last November, the CPC announced that the 14th CPC National Congress will be held during the fourth quarter of this year as scheduled. It also emphasized that the whole party should "rally closely around the party Central Committee with Comrade Jiang Zemin as the core." This shows that the top-level CPC leaders are united and stable and there is nothing extraordinary. Some people in Hong Kong and overseas are judging new things using old standards. They are observing the political situation of the hinterland with the old view of factional struggle, assuming that the CPC top-level leadership is "unstable" and that "there are disputes over major issues." In fact, they are just making groundless conjectures and our readers must be careful not to be taken in.

#### **Top CPC Leaders Have Appeared in Turn on Public Occasions To Stress Further Carrying Out Deng Xiaoping's Line**

The CPC National Congress is the supreme power organ of the party. In reality, the political line decided by the national congress will serve as the state administrative program during a certain period. Which political line the party's national congress adopts is a matter concerning the overall situation and, therefore, it is reasonable that public media here are showing great concern about the main subjects for discussion at the 14th CPC National Congress.

On 2 December last year, two days after the Eighth Plenary Session of the 13th CPC Central Committee closed, Jiang Zemin, general secretary of the CPC Central Committee, disclosed at a news conference for people outside the party: The 14th CPC National Congress will be a very important meeting in China's socialist modernization construction and a historical meeting connecting the past and the future. It will further push forward the great cause of building socialism with distinctive Chinese characteristics as advocated by Deng Xiaoping. Here, Jiang Zemin was

actually telling the outside in definite terms that the 14th CPC National Congress will continue to carry out Deng Xiaoping's line.

The remarks by Jiang Zemin, Li Peng, and Yang Shangkun on New Year's Day merit our attention. As everyone knows, the phrase "socialism with distinctive Chinese characteristics" was coined by Deng Xiaoping and serves as a summation of Deng's line. At the Chinese People's Political Consultative Conference [CPPCC] New Year tea party, Jiang Zemin reiterated: "Through practice over the past 10 years and more, the Chinese people of all nationalities have recognized more profoundly that we have chosen a correct road of building socialism with distinctive Chinese characteristics." On New Year's Day, all major newspapers in Beijing reprinted an article by Li Peng, under a big, red title: "Advance Along Road of Socialism With Distinctive Chinese Characteristics." In his New Year Message to overseas listeners, Yang Shangkun emphasized: The CPC "will actively push forward economic and political structural reform, build socialism with distinctive Chinese characteristics, and take fundamental measures to ensure a long period of tranquillity in our country." The abovementioned remarks were made by the party's general secretary, premier of the State Council, and the state president in turn. On the eve of the 14th CPC National Congress, the "three big chiefs" talked about "socialism with distinctive Chinese characteristics" with one voice. This is by no means a coincidence. The top CPC leaders were trying to show to the outside world: Although Deng Xiaoping has retired, the 14th CPC National Congress will continue to carry out his line.

In my opinion, the fact that on the eve of the 14th CPC National Congress the top CPC leaders were repeatedly declaring their continued adherence to Deng Xiaoping's line must have something to do with the disintegration of the Soviet Union and the disturbances in Eastern Europe. These events caused the CPC leaders to reach a unanimous understanding on this question: Deng Xiaoping's line, which is entirely different from Gorbachev's line, is suitable for China's national conditions, for making the country strong and the people rich, and a line which is full of vitality and capable of guiding socialism to advance toward victory. Therefore, the 14th CPC National Congress will not discard Deng Xiaoping's line, which has enabled the Chinese people to obtain great and substantial benefits. Instead, it can only go along with the people's will and adhere to this line.

#### **Promoting Economic Development Is Greatest Political Affair; Reform, Opening Up Have Obviously Been Upgraded**

Despite changes in the international situation, China will firmly follow its own path and concentrate its efforts on properly solving domestic problems. The most important thing is to promote economic development. This has been Deng Xiaoping's constant policy which has been conscientiously implemented by the CPC's third generation of leaders. After the "19 August" incident in the

Soviet Union, instead of vigorously advocating struggle in the ideological field and confusing people's understanding, the CPC convened a central work conference and the Eighth Plenary Session of the 13th CPC Central Committee to discuss policies for invigorating state-owned enterprises and developing agriculture. The disintegration of the Soviet Union, the world's first socialist country, certainly had a great impact on the top CPC leadership. However, to protect its position as the party in power, the CPC had to emphasize adherence to the four cardinal principles and hold high the banner of socialism. This was not unexpected, but what was entirely unexpected by many overseas "authoritative analysts" was: The CPC has not, in the slightest degree, neglected economic construction. Instead, it has repeatedly emphasized the necessity of firmly grasping this central task. The work in all other fields must submit to a 1 serve, rather than damage or interfere in, this center. Our attention should not be diverted or shifted to other things. In my opinion, regarding economic development as the greatest political affair is a symbol which shows that the CPC, as the ruling party in a big country, has become more politically mature. This is the main reason why China can maintain a stable political situation, stable society, and steady economic development under a situation of domestic difficulties and external pressure. It can be expected that China's domestic situation will continue to improve this year.

The CPC's basic line is called "one center, two basic points" for short. It means that economic development is the central task of the whole party. To this end, it is necessary to carry out bold reforms and open up to the outside world but, in the course of reform and opening up, it is necessary to always uphold the four cardinal principles. When we make a study of what the CPC leaders said and did and what the media said during the recent period, we can see clearly that reform and opening up have been further stressed and their pace has been accelerated. If people do not believe this, they should look at the following facts:

The Eighth Plenary Session of the 13th CPC Central Committee reiterated: The contract responsibility system on a household basis with remuneration linked to output will remain unchanged in rural areas. The CPC reform was first started in rural areas. The fact that the general policy of the "responsibility system" will remain unchanged shows that the CPC's resolution in continuing reforms is unshakable.

Since last winter, many CPC leaders have visited the south. They have, in turn, inspected the forward regions of Guangdong and Fujian, which have been opened to the outside world. In October, Li Peng inspected Guangzhou, Shenzhen, and Shantou. During his inspection trips, he pointed out that "the policy of reform, opening up, and establishing special economic zones, which was initiated by Comrade Xiaoping, is entirely correct and very successful." He urged the special economic zones to do better in construction and building of these areas. In mid-December last year, Jiang Zemin also went to

Shantou and Xiamen to attend ceremonies celebrating the 10th anniversary of the founding of the special economic zones there. Wan Li, chairman of the National People's Congress [NPC] Standing Committee, who has rarely gone on tour in recent years, also made an inspection tour to Shenzhen, Shantou, Chaozhou, Xiamen, Shanghai, and other special economic zones and open cities last November. He emphasized further emancipation of the mind, deepening reform, and opening up wider to the outside world. Moreover, Qiao Shi, CPC Central Committee Political Bureau Standing Committee member, also made an on-the-spot investigation in Hainan and Guangdong last October and November. He hoped that the two provinces would make further and courageous explorations and push forward reform and opening up in the 1990's. Song Ping and Li Ruihuan in turn inspected Shanghai last October. They urged Shanghai to speed up the pace of developing the new Pudong area. In the space of a few months, the main CPC political leaders have inspected several experimental zones. This is the most attractive event since the 1989 Beijing disturbances. In fact, it demonstrates the CPC policy trend to the outside world.

In January this year, a national conference on economic structural reform was held in Beijing. The conference emphasized that the focus of reform in large and medium state-owned enterprises should be put on changing the operational mechanism and the key task was to push enterprises into the market and attach greater importance to, and bring into play, the role of the market. This is a new development in China's efforts to promote reform of the economic structure, which is aimed at combining the planned economy with market regulation. In the hinterland, securities exchange was once criticized as something of a "capitalist" nature. The inspection by Li Peng last November of the first securities exchange established since the founding of New China—Shanghai's stock market—gave people much food for thought. On leaving the stock market, Li Peng wrote the following inscription: "Securities exchange serves the socialist economic construction." This shows that the Chinese Government has affirmed the position and role of the stock exchange and is using it to serve socialist economic development, no longer regarding it as something exclusive to capitalism. Of course, for the country as a whole, stock exchanges are still in a stage of experiment. In Tianjin and other coastal cities, a "tax guarantee zone" has also been established. All this shows that both reform and opening up have been upgraded on the mainland.

#### **Organizational Preparations Have Started for 14th CPC National Congress; Number of Pragmatic Cadres May Be Promoted**

RENMIN RIBAO reported: During the first 10 days of last December, the CPC held a meeting of directors of the organizational departments of the party committees of various provinces, autonomous regions, and municipalities, in Beijing. The meeting pointed out that in 1992, "the focus of work will be to make organizational

preparations for the 14th CPC National Congress" and that "there will be a great deal of work concerning examination of cadres and readjustment of leading bodies to do this year." According to my analysis, this disclosed the following important information: "Organizational preparations" for the 14th CPC National Congress, including electing delegates to the congress and examining and selecting members for the 14th CPC Central Committee, have already started and will soon be fully under way throughout the country.

The CPC has always advocated that the organization line should serve the political line. At the Ninth CPC National Congress, as an "ultra-Leftist" line of "continuing the revolution under the dictatorship of the proletariat" was being pursued, large numbers of "revolutionary rebels" who dared to struggle against veteran cadres were promoted. The 12th CPC National Congress implemented the political line of achieving the four modernizations. Therefore, it promoted a number of pragmatic cadres who were eager to promote the modernization drive, had professional knowledge, and were in the prime of life. Because the CPC will continue to implement Deng Xiaoping's line at its 14th National Congress, it will certainly continue to promote those who resolutely implement this political line.

Since last year, the CPC has been successfully handling matters concerning the changing situations in the Soviet Union and Eastern Europe. It has separated ideology from state relations and put the interests of the state in first place while handling foreign relations, rather than determining things by ideological standards. This is a successful application of the realistic ideological line in diplomatic affairs. When this ideological line is applied in personnel affairs, the pragmatic cadres will naturally be promoted. The media here believed that the appointment of Zou Jiahua and Zhu Rongji as State Council vice premiers in the first half of last year showed that the CPC was determined to strengthen the State Council's leading force in economic affairs. It also showed that the third generation of CPC leaders were thinking highly of pragmatic cadres. By inference, I believe that through more than 10 years of reform, there must be quite a few pragmatic cadres like Zou Jiahua and Zhu Rongji on the mainland. It will not be difficult for the 14th CPC National Congress to find the sources of and promote cadres of this kind. What merits attention is: As has been previously mentioned in this article, in his New Year message to overseas listeners, Yang Shangkun reiterated that the CPC would actively push forward "political structural reform." At the end of last year, Ding Guangen, director of the United Front Work Department of the CPC Central Committee, emphasized at a national meeting of organizational directors: "It is necessary to endeavor to implement the system of multiparty cooperation and political consultation, under the leadership of the CPC, and strengthen and improve cooperation and relations between party and nonparty personalities." It seems that the CPC will do something at its 14th National Congress to lower the average age of cadres and

encourage its members to cooperate with personalities outside the party. To select and promote cadres who have both ability and political integrity and who are in the prime of life to the leading bodies at various levels, to maintain the stability and continuity of policies, and to push forward the modernization drive and the cause of rejuvenating China, as in the Changjiang, the waves behind drive on those before. These are all in conformity with the consistent propositions of Deng Xiaoping, Chen Yun, and other political leaders of the older generation, who enjoy a high prestige within the CPC. We believe that, provided the CPC continues to advance along this line, it will surely succeed in building socialism with Chinese characteristics.

### Column Views Accelerating of Reform Pace

*HK2901145292 Hong Kong TA KUNG PAO in Chinese  
20 Jan 92 p 2*

["Political Talk" column by Shin Chun-yu (2457 0689 3768): "Lose No Time in Speeding Up Reform"]

[Text] National conferences have been convoked one after another over the past two weeks or so. This left an impression that the Chinese authorities are losing no time to step up planning for the new year.

### Series of Conferences Held

Leafing through the Beijing press, we found the number of national conferences held in Beijing was roughly 20 or so, involving a wide range of arenas, such as economic restructuring, light industry, energy resources, oil, nationality work, judicial and procuratorial work, party discipline inspection in state organs, banking, customs, forestry, meteorology, environmental protection, transportation and communication, post and telecommunications services, news and publications, public health, education....

The world was full of turbulence in 1991. Over the past year, China has adhered to its own road, taking economic construction as the key with steady steps. Despite the extraordinarily great flood, its accomplishments were universally acknowledged.

The new year had just begun, and the Chinese leader set the requirements to further emancipate the mind, and take still longer strides in reform and opening up enthusiastically, surely, and steadily in a truth-seeking way, now that the tasks for improvement and rectification have basically been fulfilled. The series of conferences have embodied such enthusiasm.

From the coverage of the series of conferences, we can see that Beijing has stressed the following points in work for 1992.

### Requiring Appropriate Weight

First, the need to emancipate the mind in further reform and opening up. Further reform and opening up are conducted in an environment of the basic completion of



improvement and rectification. There are conditions required to take rather long strides under such a relaxed environment; however, it is stressed that the increased weight in reform should be appropriate. Over the years, China has had many bitter lessons in being overanxious for success; now it calls for people to pay attention to the relationship between reform, development, and stability and adhere to "establishing the new before doing away with the old."

Second, improve economic returns by centering around restructuring. This aims at large and medium-sized state-run enterprises. Meanwhile, it is necessary to push enterprises toward the market.

Third, augment macrocontrol. It is especially necessary to strengthen the role of economic levers and give play to the monetary system's role.

Fourth, augment work regarding the legal system, and push forward building of clean government. At the work conference of party discipline inspection in central state organs, State Council General Secretary Luo Gan specially stressed: The condition of clean government in those organs has great effects on the localities and grass roots.

Fifth, reliance on science and technology is stressed. It is necessary to genuinely shift economic construction onto the track of relying on science and technological progress and improving workers' qualities.

While seizing the opportunity to step up reform, China's international activities with peripheral states are frequent, demonstrating that the old pattern was broken and the new developing and taking shape.

#### Readjustment in International Relations

With the beginning of the new year, U.S. President Bush made a tour of the Asia-Pacific region, with an intention to establish a new partnership with Japan. While readjusting her relations with the United States, Japan's new orientation in foreign affairs with importance attached to Asia can also be felt. Prior to Bush's arrival, Japan sent its foreign minister to visit China; in the wake of this visit, the Japanese prime minister visited South Korea, thus changing the usual practice by which the newly elected Japanese prime minister would invariably call on the United States first. Chinese State President Yang Shangkun followed in Bush's footsteps in visiting Singapore as soon as the latter left the country, and Yang also visited Malaysia to further cement China's relations with ASEAN. In the series of activities, the relations between China, the United States and Japan were undergoing readjustment. The question of whether or not Singapore and Malaysia have played the mediators' role between China and the United States is a rather interesting issue. In its wake, the Sino-U.S. disputes over the issue of property rights was resolved. Next, Li Peng's visit to West Europe and the United Nations will probably be the beginning of a new situation.

Three major changes have taken place in the 20th century; the first two were the consequences of the two world wars. The change we are facing today is the readjustment resulting from the end of the Cold war. The fact that China stresses seizing the opportunity should be seen against the backdrop of the third major change.

**XINHUA Notes Wang Meng at Periodical Forum**  
*OW3001125292 Beijing XINHUA Domestic Service*  
*in Chinese 0952 GMT 30 Jan 92*

[By reporter Zhu Youdi (2612 1635 2769)]

[Text] Beijing, 30 Jan (XINHUA)—LU YE [4845 0673], China's first periodical featuring both discussions of environmental protection and literary writings, has begun publication in Beijing. Bo Yibo, vice chairman of the Central Advisory Commission, wrote an inscription for the periodical.

At today's forum to mark the publication of the periodical, Feng Mu, vice chairman of the Chinese Writers' Association, said: Literature is not limited to the study of mankind; since ancient times, eulogizing nature and interpreting the relationship between nature and mankind have been an important substance of literature. We have only one earth and, to Chinese writers, there is only one China. To protect the motherland's spectacular, fertile, and vast land, and the environment in which we survive and live, and to make them more beautiful not only are the obligation of environmentalists but also of writers and poets.

Jin Jianming, deputy director of the State Environmental Protection Bureau, said LU YE is the world's first literary journal with environmental protection issues as its main content. He hoped all sectors of society will help the journal grow so as to make contributions to enhancing the nation's awareness of environmental protection.

Lei Jieqiong, vice chairman of the National People's Congress Standing Committee, and noted writer Wang Meng also spoke at the forum. Wang Ping and Wang Shoudao extended their greetings to the periodical at the forum.

**Literary Papers, Periodicals Receive Citations**  
*HK2701062192 Beijing WENYI BAO in Chinese*  
*21 Dec 92 p 1*

[Report: "Seventeen Literary, Art Newspapers, Periodicals Across Country Commended"]

[Text] A meeting to commend outstanding newspapers and periodicals on literary and art criticism which was jointly organized by the CPC Central Committee Propaganda Department's Literary and Art Bureau, the China Federation of Literary and Art Circles, and the China College of Art Research was held at the Great Hall of the People in Beijing on 18 December. Seventeen literary

and art newspapers and periodicals from throughout the country had the honor of being cited at the country's first such meeting.

The 17 units were: RENMIN RIBAO Literary Criticism Page, GUANGMING RIBAO Literary Criticism Page, QIUSHI Literary Criticism Page, JIEFANGJUN BAO Literary Criticism Page, WENYI BAO Literary Criticism Page, ZHONGGUO WENHUA BAO Literary Criticism Page, ZHONGGUO JIAOYU BAO [China Education Post] Literary Criticism Page, WENYI LILUN YU PIPING, ZHONGLIU [Midstream] Literary Criticism Page, WENXUE PIPING [Literature Criticism], WENYI YANJIU [Literary and Art Research], ZHONGGUO XIJU [Chinese Drama], MEISHU [Arts] Criticism Page, RENMIN YINYUE [People's Music], DANGDAI DIANYIN [Contemporary Film] Criticism Page, DANGDAI WENTAN [Contemporary Literary Forum] (Sichuan), and LILUN YU CHUANGZUO [Theory and Composition] (Hunan).

Wang Renzhi, He Jingzhi, Zhai Taifeng, Lin Mohan, Zhao Xun, Meng Weizai, Liang Guangdi, Li Wei, Zhang Baihai, and other responsible persons attended the citation meeting and awarded certificates to the cited units.

At the same time the citation meeting was being held, the organizing units also convened a forum on literary and art criticism and more than 10 theorists and critics attending the meeting and extensively and enthusiastically exchanged ideas on how to further boost socialist literary and art criticism. He Jingzhi attended the meeting and made a speech. He fully affirmed the meaning of the citation meeting. He said that literary and art criticism is also an important productive artistic force to which we should attach importance. We should respect critics and their essays; without them and their essays, our undertaking cannot move forward. He hoped that through the citation meeting and the forum, we can show more concern and support to work in literary and art criticism and discuss how we can further develop and improve literary and art criticism work from the angle of management, research, and productive artistic forces. He Jingzhi also suggested that in the future, we should commend good literary and art critics and good articles and works on literary and art criticism. He said that, in a certain sense, the emergence of an outstanding article of criticism which has important guiding significance is no less important than the emergence of an outstanding work which makes a great impact.

When talking about next year's work in literature and art, He Jingzhi pointed out that the principle of "grasping rectification with one hand and grasping prosperity with the other hand" should be implemented in the domain of literature and art, that we must continue to make composition and various cultural and art undertakings prosper, that we must consolidate and expand the Marxist ideological front, and that we must at the same time strengthen party building. He Jingzhi also proposed his ideas on how to further do a good job in literary and art theory work and criticism. He thought

that in literary and art reviews, there should be analyses of art as well as comments on ideology and politics and that one cannot work without the other. He hoped that we can perceive the complexity of the struggle, develop the mainstay spirit, and uphold the "tenacious" spirit characteristic of Lu Xun as advocated by Comrade Jiang Zemin.

At the citation meeting, Li Wei made a speech representing the three organizing units. He dwelled on the origin, purpose, and measures of the citation meeting. He said: How newspapers and periodicals on literary and art criticism are run, and especially how those which have an important influence in the country are run, have a direct bearing on the fate and future of literary and art undertakings in our country. Speaking from this sense, attaching importance to newspapers and periodicals on literary and art criticism and adopting earnest measures to run them well are an important guarantee for the healthy development of our country's literary and art undertakings in the "two serves" direction. In order to use practical action to support literary and art newspapers and periodicals which uphold the correct public opinion orientation, to encourage more newspapers and periodicals on literary and art criticism to improve their work according to the demands of the central authorities, to strengthen work in literary and art criticism, and to do what we can to further develop and improve our country's socialist literary and art undertakings, the CPC Central Committee Propaganda Department's Literary and Art Bureau, the China Federation of Literary and Art Circles, and the China College of Art Research carried out serious discussions and consultations and decided to jointly held this meeting to commend outstanding newspapers and periodicals on literary and art criticism. According to Li Wei, the citation meeting included the literary criticism pages of newspapers and periodicals run by party, government, and military organizations at the central level which have an important function in ideological guidance in the country; literary and art criticism newspapers and periodicals which are specifically or mainly based on criticism; and newspapers and periodicals which are specifically or mainly based on literary and art criticism and which have a comparatively strong nature of ideological guidance and are run by departments.

Meng Weizai, Lu Meilin, and Zhang Baihai made speeches at the citation meeting and congratulated the units.

Zheng Bainong, editor in chief of WENYI BAO, and the editor in chief of DANGDAI WENTAN, He Kaisi, made speeches representing the cited units. Zheng Bainong said that in the new year, we must more closely surround the CPC Central Committee with Comrade Jiang Zemin as the core, raise the banner of Marxism-Leninism-Mao Zedong thought higher, diligently and carefully continue the struggle, keep exploring, consolidate and expand our front, and greet the 50th anniversary of the "speech" [speech by Mao Zedong at the Yanan Forum on Literature and Art, May 1942; *Selected Works of Mao Zedong*,

Vol III, p 69] and the 14th CPC Congress with new results and a new perspective.

At the three-day forum on literary and art criticism, the participants thought that since the Fourth Plenary Session of the 13th CPC Central Committee, our work in literary and art criticism has scored gratifying results and has basically changed from a situation whereby bourgeois liberalization had run rampant. We have carried out necessary criticism against the major erroneous viewpoints concerning literary and art theory and rectified the country's major public opinion fronts, while the Marxism-Leninism literary and art criticism contingent has been gradually reinforced. The participants also thought that our task of literary and art criticism is still very arduous at present and that we need to further consolidate and expand the Marxist literary and art front and profoundly launch a struggle against bourgeois liberalization. In particular, we must seriously sort out the deep theoretical problems which involve world outlooks, life outlooks, and values. Many comrades proposed many beneficial and constructive ideas on how to develop and improve Marxist literary and art theory and criticism.

### Science & Technology

#### Activities of State Councillor Song Jian Noted

##### Greets Scientific Council Members

OW2701132192 Beijing XINHUA Domestic Service  
in Chinese 0930 GMT 27 Jan 92

[Text] Beijing, 27 Jan (XINHUA)—Nearly 300 new and old members of the Scientific Council of the Chinese Academy of Sciences residing in Beijing happily gathered at the Great Hall of the People today, expressing their wish to make new contributions to scientific undertakings of the motherland.

Zhou Guangzhao, president of the Chinese Academy of Sciences, addressed the gathering. He said: On this festive occasion, we are thinking more than ever of our loved ones far away. At this moment, we think even more of the students who are studying abroad. We hope that they will finish their studies and come home soon and that they will score success worthy of the Chinese nation in the international forefront of science. He also indicated that during the new year we must continue to step up exchange and cooperation with international scientific and technological circles on the basis of previous experience.

On behalf of the party Central Committee and the State Council, Song Jian, State Councillor and minister in charge of the State Science and Technology Commission, extended his cordial greetings and good wishes to all the members of the Scientific Council of the Chinese Academy of Sciences and their families. He wished the scientists good health, happiness, and new success in their undertakings during the new year.

Yan Jici, Qian Weichang, Zhu Guangya and Jiang Minkuan attended the gathering.

#### Discusses Environment Protection Tasks

OW2601061192 Beijing XINHUA Domestic Service  
in Chinese 1432 GMT 25 Jan 92

[By reporter Zhu Youdi (2612 1635 2769)]

[Text] Beijing, 25 Jan (XINHUA)—At the 21st meeting of the Environmental Protection Committee of the State Council held here today, State Councillor Song Jian said: China should quicken its step toward environmental protection in the next decade. It is necessary to launch a few campaigns of grand scale to achieve greater results in improving China's environmental conditions commensurate with the people's well-off living standards by the end of this century.

Song Jian said: The questions of controlling environmental pollution, improving urban environmental quality, and checking the deteriorating trend of nature's ecology are not only involved with increased input, but also with improving production and way of life by changing prevailing habits and customs. To keep pace with its economic development, China should set up a higher standard for environmental protection in the future. In addition, forceful measures should be taken as a guarantee for the work. Sewage discharged from some small paper mills often cause pollution, with each contaminating long stretches of rivers. Phenomena such as this are no longer allowed to happen. Some economically developed coastal areas do not pay enough attention to treating pollution, improving the environment, and enhancing public health facilities. We should actively guide these areas to put more investment in environmental protection. Special regulations can be formulated to set up specific requirements for limiting pollution made by some enterprises severely affecting environmental protection. It is imperative to carry out the guiding spirit of treating and improving the environment in a strict and earnest manner. Increased efforts should be made to protect a variety of species. Stern measures should be taken to stop and crack down on such illegal activities as poaching and selling endangered wildlife. Despite the economic progress we have made, no one should be considered civilized if the consumption of state-protected animals can still be found in restaurants and guesthouses. We should strive to achieve the goal of environmental protection by the end of this century by promoting a sense of environmental protection in the nation as a whole and by integrating environmental protection with economic progress as well as with urban and rural development. The 10-year program for environmental protection and the outline of the "Eighth Five-Year Plan," formulated by the State Environmental Protection Bureau under the guidance of the State Planning Commission and with the help of all localities and all departments concerned under the State Council, constitute important parts of the 10-Year Program for National Economic and Social Development and the



"Eighth Five-Year Plan." The 1990's is a key period for China's economic development and environmental protection. Emphasizing that the plan for environmental protection be included in the plan for national economic and social development, the outline demonstrates the two cornerstones for improving environmental administration and the cause for enforcing environmental protection through relying upon scientific and technological progress in China in the 1990's. The outline also focuses on the tasks of "comprehensive improvement of the urban environment" and "the prevention and cure of industrial pollution."

According to the 10-year program for environmental protection adopted in principle today, basic control of environmental pollution will be achieved, environmental quality in major cities improved, and the deteriorating trend of nature's ecology checked in China by the year of 2000. Gradual coordination between environment and economic and social development will be achieved then, laying a foundation for building a clean, beautiful, and quiet environment in China's urban and rural areas where a benign cycle of the ecological system is at work.

#### Urges Ethics in Scientific Work

OW2801114092 Beijing XINHUA Domestic Service  
in Chinese 0743 GMT 28 Jan 92

[Text] Beijing, 28 Jan (XINHUA)—Song Jian, state councillor and minister in charge of the State Science and Technology Commission, was recently quoted by ZHONGGUO KEXUE BAO in an interview as saying: Scientific and technological circles in our country have the fine traditions of seeking truth from facts, of championing truth, and of working diligently. However, the ranks of science and technology are also beset by some shortcomings and vices of a strictly individual nature in connection with ethics in the scientific profession. ZHONGGUO KEXUE BAO's sponsorship of discussions on science-related moral problems—which attempt to cleanse the scientific and technological world—holds great significance and can play an excellent role in providing correct guidance to the scientific and technological world in fostering good science-related morals.

Song Jian said: During the 1950's and 1960's, our country's scientific and technological workers through independent efforts successfully developed the atomic bomb, the hydrogen bomb, and man-made satellites. Facts show that today's significant scientific achievements, inventions, and major scientific projects are a result of the way scientists rely on science and of their spirit of pursuing truth in launching painstaking efforts in a steady, practical, and industrious manner. The new generation in the scientific and technological world must promote the fine traditions and practices of the previous generation—a move of paramount importance to scientific and technological development in our country. An honest attitude is badly needed in scientific research, which brooks not even the slightest display of falsehood.

All false and speculative approaches violate the morals of science and undermine the development of scientific and technological programs. Such unhealthy practices, if allowed to spread unchecked, will lead many promising youths astray. This highlights the pressing need for stressing the morals of science in the scientific and technological world.

Discussing unhealthy phenomena that occur at certain meetings held to evaluate scientific and technological results, Song Jian said: In recent years, our country has obtained 10,000 or so scientific and technological results annually. A great majority of those achievements are quite good, and a substantial number have been put to use in production. Nevertheless, too many evaluation sessions are being held indiscriminately. The practices of "gaining passing grades at evaluation sessions" by entertaining guests and giving presents have marred some of those sessions. This is an unhealthy practice. If allowed to continue, it will produce sham results and seriously jeopardize scientific and economic construction. The scientific and technological world should firmly resist this practice, and the press should expose gross offenses.

#### Addresses Weather Bureau Directors

OW1901054992 Beijing XINHUA Domestic Service  
in Chinese 1542 GMT 18 Jan 92

[By reporter Mei Jun (2734 0689)]

[Text] Wuhan, 18 Jan (XINHUA)—Premier Li Peng wrote a congratulatory letter to the National Meeting of Directors of Meteorological Bureaus which opened in Wuhan on 18 January. He praised the vast number of workers in meteorology for their colorful achievements in weather forecasting so as to prevent floods and reduce disasters. At the meeting State Councillor Song Jian read Premier Li Peng's congratulatory letter and delivered an important speech.

Premier Li Peng's congratulatory letter said: "In 1991 floods and waterlogging rarely seen in history hit some part of our country. The vast number of workers in meteorology—who are highly responsible to the people and state—kept to their posts day and night and kept close watch over any change of weather. You made full use of various technological means and pooled your wisdom and efforts to conduct scientific research to solve practical questions. You provided timely and accurate meteorological information and weather forecasts, organized agricultural production and construction of projects, commanded the struggle to combat floods and do relief work for the leadership at all levels, and played an important role in protecting the people's lives and property."

In his speech, Comrade Song Jian fully affirmed the fruitful results which China's meteorological departments achieved in deepening reform and opening up wider to the outside world. Workers in meteorology are especially commendable for offering accurate scientific data in 1991 for combating floods and for doing relief

work and for being a reference for the leadership at all levels while making policy decisions. They are commendable for their contributions to the enjoyment of a second good year in China's agriculture and to guaranteeing the people's living and working in peace and contentment.

Song Jian called on workers in meteorology to seriously implement during this new year the decision made by the Eighth Plenary Session of the 13th CPC Central Committee; to continue regarding their service for agriculture as the central task; to serve the policy decision of governments at all levels to command agricultural production and combat and reduce disasters; to help the poor with science and technology; to popularize the achievements in science and technology; to disseminate meteorological knowledge; to develop weather resources; to set up service entities; and to actively develop rural meteorological service networks so that meteorological science and technology can enter the agricultural field.

The meeting commended Anhui and Jiangsu Provincial Meteorological Observatories as well as 48 other advanced collectives for their meteorological service in preventing floods and reducing disasters. It also commended Ma Qiong, deputy director of Jilin Provincial Meteorological Observatory, and 97 other advanced persons.

The meeting was presided over by Zou Jingmeng, director of the State Meteorological Administration. Guan Guangfu, secretary of the Hubei Provincial Party Committee, and Provincial Governor Guo Shuyan were present at the meeting today.

### Military

#### Jiang Zemin, Others at Cultural Performance

OW2701214892 Beijing XINHUA Domestic Service  
in Chinese 1516 GMT 27 Jan 92

[By reporters Liu Huinian (0491 0932 1628) and Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 27 Jan (XINHUA)—The Liberation Army's General Political Department staged a special Spring Festival performance of the Chinese opera "Daughters of the Party" at the China Theater this evening. Jiang Zemin, Song Ping, Li Ruihuan and other party and state leaders watched the performance together with commanders and fighters of ground, naval, air units of the Army stationed in the capital.

After the performance, Jiang Zemin and other leaders ascended to the stage to have pictures taken with the performers. Then, Jiang Zemin made an impromptu speech. He said: The opera "Daughters of the party" has given us a vivid lesson about the party. Our party and our people's Army, so long as they forge close ties with the masses, will remain invincible forever. Since the day the PRC was founded, the Chinese people have stood on

their own. Gone are the days when Chinese nationals were thoroughly bullied by foreign powers. All in all, we must grasp the present opportunity with heart and soul for successfully promoting economic construction and building up our party. We would like to tell millions of the eternal revolutionary martyrs that the Chinese people are adhering to the line of "one central task and two basic points" and advancing along the path of building socialism with Chinese characteristics.

Other leading comrades watching the performance were Li Tieying, Wu Xueqian, Zhu Rongji, Yang Baibing, Wang Ping, Li Desheng, Yu Qiuli, and Chen Xitong.

"Daughters of the Party" is a distinguished opera adapted from the movie of the same title by some prominent Army writers and artists under the direct care and guidance of the Military Commission and the General Political Department. Through the struggle of communists Tian Yumei, Gui Ying and Qi Shugong against renegade Ma Jialin and the White Army, the opera portrays the shining image of several unyielding communists who faced death unflinchingly when the revolution was at a low ebb, lauding the strong revolutionary conviction in the party by communists and the masses of people. After watching the performance, many audiences said with profound feeling: "Daughters of the Party" has aroused our immeasurable admiration for the CPC and revolutionary martyrs. We now realize that the victory of revolution did not come easily and that our happy life today is hard earned.

Since its premiere last November, the opera has been staged at least 10 times. Experts from both inside and outside the Army believe that this is an excellent opera, filled with soul-stirring revolutionary substance and reflecting the righteous cause of Chinese communists. As for its artistic value, the opera, which gives prominence to Chinese national character, will give an impetus to a renaissance of the Chinese national opera.

Also watching the performance were officials from the relevant central and state organs Wang Renzhi, He Jingzhi, Ai Zhisheng, Gao Di, Zhu Muzhi, Mu Qing, Wang Zhaoguo, Wu Shaozu, and Song Defu; and leading comrades of the three Army General Departments, major Army units stationed in the capital, and the Armed Police Headquarters Xu Huizi, Han Huaizhi, He Qizong, Yu Yongbo, Li Jinai, Zhou Keyu, Zhang Gong, Zhang Lianzhong, Wei Jinshan, Liu Anyuan, Yang Yongbin, Ding Hengao, Li Jijun, Zhou Yushu, and Xu Shouzeng.

#### Jiang Awards PLA Navy's Air Force Unit

OW2801045192 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 27 Jan 92

[Announcer-read report from the "National News Hookup" program]

[Text] Central Military Commission Chairman Jiang Zemin recently signed an order awarding a collective

Merit Citation, Third Class, on the First Division of the Air Force under the PLA Navy.

#### **Li Peng Sends New Year Greetings to Xinjiang**

*OW2801013992 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 27 Jan 92*

[From the "Xinjiang News" program]

[Text] On the afternoon of 26 January, while flying over Xinjiang's Hongqilafu mountain pass on his way to visit four Western European countries, State Council Premier Li Peng sent new year greetings via cable to all officers and men of the Air Force's Hongqilafu guidance station. Premier Li Peng's cable read:

You have been stationed at the border under the harsh conditions of a high altitude mountainous area over a long period of time and put up with all kinds of hardship to make great contributions to safeguard the motherland's sacred border. On behalf of the party's Central Committee and the State Council, I would like to express my warm regards and to wish you all a happy new year.

#### **Liu Huaqing Urges Improved Troop Quality**

*OW2601184392 Beijing XINHUA Domestic Service in Chinese 1238 GMT 26 Jan 92*

[By reporter Zheng Guolian (6774 0948 5114)]

[Text] Guangzhou, 26 Jan (XINHUA)—Addressing a meeting of representatives of advanced units and individuals in grass-roots construction from the Guangzhou Military Region today, Liu Huaqing, vice chairman of the Central Military Commission, emphasized that under the new situation, we should attach a greater importance to the improvement of the quality of the army and pursue a distinctively Chinese path of training top-notch troops.

After extending greetings to the meeting from Jiang Zemin, Yang Shangkun, Yang Baibing and other leading comrades of the Central Military Commission, Liu Huaqing said: The world is now undergoing a crucial transition from the old to the new strategic setup. Stepping up the effort for an improvement in quality has become a common decision by armies in various countries. As the pattern of war changes in the modern era, the quality of troops plays a vital role in the outcome of a war. Only by attaching great importance to improvements in the quality and training of top-notch troops can the Chinese Army catch up with the developing trends in international military affairs.

Liu Huaqing said: The quality improvement of Chinese troops should encompass the Army's special political superiority, appropriate scale of military strength, rational structure of equipment, better efficiency in using expenditures, scientific organizational setup, and strict training and management. At the grass-roots level, it is necessary to improve quality and maintain a high

standard in all fields of endeavor according to the "Outline for Military Grass-Roots Construction." Grass-roots units are the foundation of the Army. Only when grass-roots quality is improved can quality construction for the whole Army be strengthened.

Fully affirming the Guangzhou Military Region's achievements in improving its quality in the political, military, and logistical areas, as well as forging close ties with local governments and the people in recent years, Liu Huaqing emphasized: The Army must continue to adhere to the party's basic line and strengthen the education in upholding the four cardinal principles and in furthering reforms and opening wider to the outside world so that officers and men at large will understand that the four cardinal principles are the cornerstone of our country and reforms and opening are the road leading the country to prosperity. They will also understand that in order to place China in an invincible position, it is imperative to energetically develop the economy, build up a comprehensive national strength, conscientiously safeguard social stability, regard the guarantee for smooth progress and reforms and opening as the Army's important and yet glorious responsibility, and take concrete actions to actively support local governments' economic construction, reforms, and opening to the outside world. Efforts must be made to further conduct education in the socialist conviction, so that officers and men will have faith in the victory of socialism regardless of changes in the situation. In order to achieve an all-round improvement in grass-roots quality, efforts must be made to strengthen the training and management of troops and to evaluate them according to their combat capability, seeing to it that troops are administered, trained, and managed strictly and discipline is enforced. Particular attention must be paid to build up the quality of party branches as the nucleus and ensure real implementation of the party's line, principles, and policies at the grass-roots level. It is necessary to resolutely overcome formalism. Leading cadres and organs at all levels should enhance their sense of responsibility and dedication in serving grass-roots units. They should make fewer speeches and do more concrete work, stress efficiency, and try their utmost to improve their leadership style. They should also cut back meetings and documents and avoid repeated evaluations and appraisals so as to devote more time and energy on improving the quality of troops. It is necessary to help pace-setters achieve all-around progress and to discover and publicize their advanced deeds in the light of training successors to the cause of revolution. It is necessary to launch extensive and in-depth emulation activities for superior performance in order to foster a sound atmosphere in the Army, under which every one is encouraged to learn from and compete with others for becoming advanced models.

The meeting of representatives of advanced units and individuals in the grass-roots construction of the Guangdong Military Region was opened on 23 January. An order signed by commander Zhu Dunfa and political



commissar Zhang Zhongxian of the military was read at the meeting. The order confers the honorific title of "Model Company in Comprehensive Construction" on the Second Company of a unit, "Model Garrison Company in Nanpeng" on Nanpeng Garrison Company of a garrison regiment, and "The Good Sixth Company in the Shenzhen Special Economic Zone" on the Sixth Company of a communications general station. Meanwhile, 27 advanced units and 14 advanced individuals were commended in a circular order.

Zhou Wenyuan, deputy director of the Liberation Army General Political Department, attended the meeting.

### Shanghai Leaders Greet Units for Spring Festival

OW2801063192 Shanghai JIEFANG RIBAO in Chinese  
24 Jan 92 p 1

["Municipal Party and Government Leaders, Divided Into Six Groups and Carrying With Them the Deep Sentiments of the Shanghai People, Extend Spring Festival Greetings to Soldiers Who Are Sons and Brothers of the People; Leaders of Military Units Stationed in Shanghai Vow To Make New Contributions To Invigorating Shanghai and Developing Pudong"]

[Text] Led by party and government leaders of Shanghai, including Wu Bangguo and Huang Ju, a comfort group was organized by responsible persons of the relevant departments, commissions, offices, mass organizations, and democratic parties yesterday. Carrying with them the deep sentiments of the people of Shanghai, the group moved out in six teams to call on basic units of the military stationed in Shanghai as well as the Shanghai Armed Police Corps in order to extend warm regards and Spring Festival greetings to commanders and soldiers.

The party and government leaders taking part in the comfort-extending activities were Chen Zhili, Chen Tiedi, Zhang Dinghong, Mao Jingquan, Wang Liping, Ye Gongqi, Sun Guizhang, Tan Jiazhen, Li Jiahao, Wang Chongji, Hu Chuanzhi, Gu Chuanxun, Liu Zhenyuan, Ni Tianzeng, Xie Lijuan, Zhuang Xiaotian, Xie Xide, Wang Xing, Xu Yifang, Zhang Ruifang, Wu Zengliang, Chen Mingshan, Zheng Lizhi, Zhao Xianchu, and Chen Haozhu.

Responsible persons of the military units stationed in Shanghai—including Xu Wenyi, Zhu Xiaochu, Shen Binyi, Huang Huang, Zhao Xuemin, Shi Zhiqing, Zhang Jihe, Lu Naihe, Song Zhecun, Lu Linyuan, Wang Peisheng, and soldiers—extended a warm welcome to the municipal comrades when they arrived. They briefed the comfort teams on the achievements they had made in army building and in building a spiritual civilization in cooperation with civilians. The military officers noted that they would carry forward the fine traditions of the People's Liberation Army, work side by side with the people of Shanghai, and make new contributions to invigorating Shanghai and developing Pudong.

At about 0900, Municipal Party Committee Secretary Wu Bangguo arrived at the Wusong Dock where a naval unit is stationed in Shanghai. When comrades from the comfort group, accompanied by leaders of the naval base, boarded warship No. 514, Wu Bangguo greeted the officers and men lining up on deck to welcome him with "Comrades, you have been working hard" and "Comrades, how do you do." The officers and men replied in unison with "We serve the people" and "How do you do, sir." After that, the comrades from the comfort group inspected the equipment and facilities of the warship and called on sailors. On the deck of the warship, Wu Bangguo said to the officers and men: Last year, the military units stationed in Shanghai and the municipal Armed Police Corps resolutely implemented the directives of the party Central Committee, State Council, and Central Military Commission; worked hard to promote army revolutionization, modernization, and regularization; and achieved gratifying results in military training, political work, and logistical support. At the same time, comrades of the military units and the corps continued to carry forward the glorious tradition of supporting the government and cherishing the people; actively safeguarded Shanghai's political and social stability; supported Shanghai's reform and opening up to the outside world; participated and assisted in Shanghai's construction; and did much work to push forward Shanghai's economic and social development. In the new year we should follow the requirement "breathing the same air, sharing the same fate, and linking heart to heart" which was set by Comrade Jiang Zemin; should further carry forward the glorious tradition of supporting the Army and giving preferential treatment to the families of the soldiers and of supporting the government and cherishing the people; show more concern for and support the Army's reform and army building; should conscientiously implement the policies of giving preferential treatment to family members of revolutionary martyrs and servicemen; should launch an extensive mass campaign to support the Army and give preferential treatment to the families of the soldiers; should consolidate and develop the achievements of the activities to create "double support" models; and should further spread the social mood that "it is the responsibility of everyone to support the Army and give preferential treatment to the families of the servicemen."

Early yesterday morning, Mayor Huang Ju and his party arrived by car at the Shanghai Garrison Command's "Ye Ting unit," which is stationed in the suburban area of Songjiang. Comrades from the comfort group first called on soldiers at their dormitories and then inspected the unit's chamber for disabled soldiers. With a happy mood, Huang Ju briefed the officers and men on Shanghai's achievements in economic development and municipal construction last year. He said that despite the serious natural disasters that hit Shanghai last year, the municipality made new headway in industry, finance and trade, and agriculture. A number of key construction projects—including the Nanpu Bridge and the Sluice Bridge at Wusong Road—were completed ahead of

schedule, and substantial progress was made in the development of Pudong. These achievements could not have been made without the support of our soldiers who are sons and brothers of the people. The "Ye Ting Unit" made outstanding contributions to the liberation of Shanghai in those days, and today it again made new contributions to socialist construction. Our soldiers worked hard on the front line of combating the floods and rescuing victims; worked hard in rescuing victims when tornadoes struck; and worked at the site of the Taipuhe Flood-Control Project. The people of Shanghai are grateful to you. Huang Ju expressed the hope that in the new year, soldiers and civilians will join hands, work side by side, and make new contributions to realizing the grand objective of "developing Pudong, invigorating Shanghai, serving the whole nation, and joining the front ranks of the world."

During the comfort-extending activities, brilliant literary and art programs were staged by performers for soldiers.

#### **Shen Daren, Chen Huanyou Visit Nanjing Region**

*OW2801132592 Nanjing Jiangsu People's Radio  
Network in Mandarin 1015 GMT 28 Jan 92*

[From the "News" program]

[Text] This morning, leading comrades from the province and Nanjing City—Shen Daren, Chen Huanyou, Han Peixin, Fu Hao, Sun Han, Sun Jiazheng, Cao Hongming, Cao Keming, (Zhou De), Ling Qihong, and Wang Hongming—visited the Nanjing Military Region, including its Air Force units, and the provincial military district. They were warmly welcomed by leading comrades of the troops—Shi Yuxiao, Guo Tao, Guo Xizhang, Pei Jiuzhou, Zhang Zongde, Lan Baojing, Wang Tailan, Sui Shengwu, Du Yufu, Han Decai, (Ma Feng), (Ni Rijia), (Zhang Zhaoxing), and Wei Changgan—and by commanders and fighters.

On behalf of the provincial party committee and the provincial government, Shen Daren and Chen Huanyou expressed thanks for notable contributions made by the troops in building the two civilizations and in launching flood control and relief operations. Responsible comrades of the troops said: We must foster a closer relationship between the military, the government, and the people. We must also perform various tasks competently and render new meritorious services for local socialist economic construction and national defense.

#### **Liu Zhengwei at Meeting on Supporting Army**

*HK2801151192 Guiyang Guizhou People's Radio  
Network in Mandarin 2300 GMT 21 Jan 92*

[Excerpt] A provincial meeting on supporting the army and giving preferential treatment to families of revolutionary servicemen and martyrs was solemnly held yesterday evening. Provincial party, government, and military leaders who attended the meeting included Liu Zhengwei, Wang Chaowen, Su Gang, Long Zhiyi, Zhang

Shukui, Liu Hanzhen, (Wang Shiqi), Yuan Ronggui, (Zhu Yongzhen), Liang Wanggui, Luo Shangcai, Zhang Yuqin, (Long Shufen), Zhu Qi, Yu Zhonggui, (Zhong Mingren), and others.

The meeting was presided over by Deng Guoyong, deputy political commissar of the provincial military district. On behalf of the provincial CPC Committee, provincial government, provincial group responsible for the double support work, and provincial general group of supporting the army and giving preferential treatment to families of revolutionary servicemen and martyrs, Zhang Shukui, head of the abovementioned provincial general group, extended his festival greetings and sincerely saluted the commanders and soldiers of the People's Liberation Army, who were stationed in various parts of the province, officers and men of the reserve force, and the broad masses of people's militiamen. He wished the broad masses of officers and men of the troops stationed in Guizhou a brilliant Spring Festival and happy family reunion. [passage omitted]

#### **Economic & Agricultural**

##### **Spokesman Says Firms Overseas Observe Local Laws**

*HK3101033792 Beijing RENMIN RIBAO OVERSEAS  
EDITION in Chinese 31 Jan 92 p 3*

[By staff reporter Liu Luyan (0491 7627 3601): "Spokesman for Ministry of Foreign Economic Relations and Trade Says China Always Demands Its Enterprises Abroad Observe Laws in Operation"]

[Text] Beijing, (RENMIN RIBAO)—Liu Xiangdong, spokesman for the Ministry of Foreign Economic Relations and Trade, refuted here the rumor that illegal operations by Chinese companies in the United States were supported by the Chinese Government and backed by foreign trade companies in Beijing.

Liu Xiangdong said: The Chinese Government has always required overseas branches of various enterprises to "abide by contracts and honor their promises" in their business activities and to observe trade ethics and the laws and regulations of the countries where they are located. Facts prove that most overseas branches of Chinese enterprises behave well in their business operations and are welcomed by the relevant sectors in the countries where they are located. The Ministry of Foreign Economic Relations and Trade is a functional department of the State Council responsible for managing foreign economic and trade institutions throughout the country; studying and formulating foreign economic and trade strategies, principles, plans, and relevant policies; and organizing their implementation after they are approved by the State Council. However, various foreign trade companies are independent legal entities that conduct their business operations independently. The latest round of foreign trade structural reform, which began in 1991, has terminated the state's

financial subsidies for exports and enterprises have borne responsibility for their own profits and losses in foreign trade.

Liu Xiangdong said: In 1988, the State Council decided that the management of the provincial branches of most foreign trade and industrial corporations in Beijing, foreign trade companies at the prefectural and county level, and their subordinate production units should all be delegated to local authorities and financially dissociated from the large foreign trade and industrial corporations in Beijing. That is, the original branches of national foreign trade corporations have all become independent legal entities and are no longer subordinate to national corporations. Local foreign trade companies and national corporations have become rivals in equal competition. National corporations are no longer involved in the business disputes of local companies.

#### **Reduction in Oil Exports for 1992 Announced**

*OW3101093792 Beijing XINHUA in English  
0921 GMT 31 Jan 92*

[Text] Beijing, January 31 (XINHUA)—China will reduce its export of petroleum during the first half of this year in response to calls to restrict production to stabilize world oil prices made recently by some member states of the Organization of Petroleum Exporting Countries (OPEC).

The announcement was made to the press here today by Zheng Dunxun, general manager of the China National Chemicals Import and Export Corporation. The corporation is the sole corporate body assigned by the central government to deal with the country's petroleum imports and exports.

"China's willingness to cooperate with other countries for the stabilization of oil prices on the world market is demonstrated by our cutting oil export volume at a rate of 20,000 bbl [barrels] daily for the first six months of this year.... We express our concern over the drop of world oil prices and appreciate actions taken by the OPEC countries. We also hope other oil producing countries will take similar measures to keep world oil prices at a reasonable standard," Zheng said.

#### **Official on Socialist Securities Market**

*HK1701014192 Beijing RENMIN RIBAO in Chinese  
30 Dec 91 p 5*

["Deepen Reform, Open Up Wider" column by Yuan Mu (5913 2606): "Exploring a Socialist Securities Market With Chinese Characteristics"; first paragraph is RENMIN RIBAO editor's note]

[Text] Developing a securities market is an important part in deepening financial structural reform. Under the situation of deepening reform and widening opening-up, it has become an important theoretical and practical topic for reform to actively and steadily develop our country's securities market according to the requirement

of building socialism with Chinese characteristics. Here we publish Comrade Yuan Mu's address (excerpts) recently delivered at the "symposium on the development policies for China's securities market" cosponsored by the State Council Research Office, People's Bank of China, and China Securities Association in the hope of promoting theoretical probes and widening the scope of practices.

Since the Third Plenary Session of the 11th CPC Central Committee, our country's socialist commodity economy has been developing rapidly and promoted the formation and development of a securities market. Over the last decade, an aggregate of about 270 billion yuan of various kinds of marketable securities have been issued nation-wide; the total trade amount of listed securities was close to 20 billion yuan. Marketable securities have developed from the single item of an exchequer bill into enterprise and financial debentures and various kinds of securities. In particular, since the State Council approved the establishment of the Shanghai and Shenzhen Securities Exchanges, and an automatic price updating system on national security trading, an elementary security market system based on the two securities markets and the price updating network has now been formed. The finance concept has strengthened among rural and urban populations, and part of the masses have actively participated in security investment. At present, securities exchange has become an important channel for our country to pool funds for construction. The development of securities exchange markets is healthy overall.

But we must also see that securities exchange is still new in our country and we still do not know much about the routines of securities exchange development in a socialist system. Therefore, we need to study and explore it seriously.

#### **I. The Necessity and Feasibility of Developing Securities Exchanges**

Judging from the current economic situation, after two years of improvement and rectification, especially after this year's efforts, the economic situation has continued to develop well. As the expected targets of improvement and rectification have been fulfilled and on the basis of continuing to consolidate the fruits of improvement and rectification and maintaining basic equilibrium between total demand and supply, we must now switch the focus of economic work to structural adjustment and raising efficiency. To achieve this, it is important to expedite the pace of reform and opening up, tackle well state-run large and medium enterprises and, of course, prevent economic overheating and inflation. Against this background, our discussion of deepening financial structural reform and further developing actively and cautiously securities exchanges becomes all the more important.

Viewed from another angle, that is, in terms of capital, there is the view that the 1990's will be an important period for our country's socialist modernization. During this period, to realize the second-step strategic goals of



economic development, double the GNP, and raise people's living standards to a comparatively well-off level, obviously we must maintain the injection of large sums of capital and raise the overall national economic quality to a new height. It now seems that capital shortage will be the major problem bothering us in the 1990's economic development.

How do we solve the capital shortage problem? It now looks improbable that massive foreign debts will be raised. On the one hand, the international capital market is not as well-off as it has been over the last 10 years, and new changes have appeared in international capital movements. The Middle East, for instance, which used to be a capital exporter, must import capital in the next few years because of the Gulf war. And after the dramatic changes in the Soviet Union and East Europe, some Western powers, continuing their peaceful evolution strategy against us, have attempted to use capital supply to East Europe as a political chip to pressure us to evolve, and therefore will not provide us a generous capital environment. On the other hand, we have already raised many foreign debts and have entered a peak debt repayment period. Both these two factors tell us that there is not much room for the method of raising massive foreign debts to solve the problem of capital shortage for construction. And this requires that we look internally and tap our own capital potential.

Viewed realistically, we have great domestic capital potential. Roughly speaking, savings and cash-on-hand top 1 trillion yuan; and as the economy develops, the rural and urban populations' income and residents' capital will continue to grow. This in turn provides a possibility for raising domestic capital for construction through developing a securities market.

There are at least several obvious advantages in raising construction capital through developing a securities market. They are:

1. Converting considerable consumption funds into production funds, reducing pressure on the market.
2. The advantage of raising large sums of idle funds within a short time to support key projects and promote production structural adjustment. As we will only approve key enterprises and projects to issue stocks under a production policy, this will help us implement the policy of enforcing structural adjustment and raising efficiency through methods of capital collection.
3. It can raise investment efficiency, diversify investment risks, place a restraining factor on investment, and reduce investment cost.
4. It helps promote the conversion of the enterprise management and investment systems in such a way that it will better combine the superiority of the planned economy and market regulation.

## II. Probe and Build a Socialist Securities Market With Chinese Characteristics

For a very long time to come, building socialism with Chinese characteristics is the major mission for the whole party and the people. Under this background, the search for a way to develop a securities market in our country must reflect the requirements of the major goal of building socialism with Chinese characteristics.

I think the party Central Committee and State Council are very clear about developing a socialist securities market; namely, they will support its development and this must be done actively and in a stable and sound fashion. As early as 1987, the State Council promulgated documents on developing the securities market, such as the "Interim Regulations on the Management of Enterprise Stocks and Bonds" and "State Council Circular on Strengthening Stocks and Bond Management." The "CPC Central Committee Proposal on the 10-Year Program for National Economic and Social Development and Eighth Five-Year Plan" explicitly points out: We must deepen financial structural reform, "gradually expand bond and stocks issuance and tighten their management, develop financial markets, encourage capital circulation, build and perfect securities exchange in big cities with conditions, and establish a trading system guided by regulations." The pilot securities markets in Shanghai and Shenzhen were established according to such a spirit. Earlier, in accordance with Premier Li Peng's instructions, the State Council Research Office and the People's Bank of China sent people to Shanghai to study the stock craze there, and they wrote a report on their investigation. Premier Li Peng again instructed: "We should effectively make stocks serve the socialist economy." In sum, developing a securities market is an important part of developing the socialist economy, deepening economic structural reform, and expanding opening up to the outside world.

What are the requirements for building a socialist securities market with Chinese characteristics and what are the basic principles we need to observe? In an address to the rally marking the CPC's 70th anniversary, Comrade Jiang Zemin incisively summarized the socialist economy with Chinese characteristics into three basic characteristics, which I think correspond to the basic principles of developing our country's securities market. Specifically, they are:

First, we must uphold the policy of taking public ownership as the main body with the coexistence of a variety of economic elements. When formulating relevant securities market policies and trade regulations, we must conscientiously enforce this policy. According to studies, as of the end of 1990, there were 11 pilot stockholding enterprises under comparative regulations [bi jiao gui fan 3024 6525 6016 5400], with a total stock amount of 887 million yuan, 663 million—74.75 percent—of which are held by the state; 158 million, or 17.81 percent, are held by legal entities; and 66 million, or 7.44 percent, by individuals. That way, public ownership as the main

body is preserved, and other economic elements are allowed. The direction is correct.

Second, we must uphold the principle of combining a planning economy and market regulation. The formation of prices for securities exchange must rely more on market regulation. Unlike the commodity market that supplies people's daily necessities, as a special capital supply venue, the securities market has limited influence on the life of the broad mass of the people, and therefore can have more market regulation in the initial stage. On this line of thinking, the prices of listed stocks and regulation and control of exchange prices should be formulated according to market rules so that prices of newly listed stocks stay close to market levels. Does this mean that planning will not play a role in the development of the securities market? No. Important aspects in financial assets proportions such as the total securities volume listed, and proportions between various securities, savings, bonds and stocks, must still be regulated and controlled by state planning, and this embodies the principle of combining a planning economy with market regulation.

Third, we must implement a distribution system which takes rewards according to work as the main body and other distribution systems as complements. Stock dividends, bonuses, interest, and the like are returns on ownership of capital and different from labor returns. But, as a nation, the income of rural and urban residents comes mainly from labor; the income they earn from savings and through the purchase of securities and stock dividends account for only a small part of their income.

Furthermore, the development of a securities market must absorb successful foreign experiences and certain suitable existing regulations, but we must not copy them en masse. They must be combined with our country's national situation and continually perfected so that we put "foreign things at our service." A securities market has the advantage of pooling enormous amounts of money in a short time, but also the downside of luring people into securities speculation. We must, through administrative, economic and legal means, formulate corresponding methods to enhance its benefits and remove its disadvantages, and blaze a new trail of developing a socialist securities market.

The development of a securities market calls for strengthened guidance and must be done with planned steps. It cannot be rushed headlong into mass action, but must be coordinated and dovetailed with national economic development and economic structural reform plans. At present, our country's securities market is still in an embryonic stage; the development of a stock market cannot proceed too quickly, or there will be an impact on the national economy. At present, we may develop more bond markets; the pace of developing a stock market must be even and stable and we must not be impatient.

### III. Further Improvement and Development of a Securities Market Require Studies and Solution of Problems

Opening and developing a securities market is an important attempt in China's economic structural reform. We have scored initial results but we are also facing some problems. Chiefly, they are:

(1) Diversified management. At present, some departments, subject to their jurisdictions, have participated in securities market management. As there is not an authoritative organ for coordination, management policies and rules and regulations overlap and are unmatched with each other, which leads to low efficiency and loopholes in securities market management.

(2) Splitting of regions, areas, and departments. As the existing capital distribution system is basically administratively based, to prevent capital outflows some regions and departments have resorted to a blockade policy, thus restricting cross-regional and interdepartmental stock issuance and trading. This is bad for the formation of a national unified market.

(3) The operating mechanism is imperfect. 1) The management methods of securities firms that have not been able to organize and foster the market are not good enough; 2) there is still not a tight securities issuance and listing management system; and 3) there is a lack of a modernized securities market trading system; the means of securities price updating, transaction, and clearance are relatively backward; and so on.

(4) Laws and rules and regulations are not sound. Our country's securities market has not been in existence long, and relevant rules and regulations are not yet in place; those that are available are not sound. We need to expedite work in this respect.

In short, all these problems are in a forward course, but we must attach importance to them and solve them. I believe that under the guidance of the party Central Committee and State Council, so long as we correctly abide by economic operation laws and the inner regularities of the development of a securities market, we will certainly be able to enhance benefits and remove disadvantages and enable our country's securities market to develop healthily into a new stage.

### Special Economic Zones Continue 'Rapid' Growth

OW2401022592 Beijing XINHUA in English  
0101 GMT 24 Jan 92

[Text] Beijing, January 24 (XINHUA)—China's five special economic zones (SEZ) continued rapid and steady economic growth during 1991.

Recent statistics show that the industrial output value for the Shenzhen, Zhuhai and Shantou SEZs in Guangdong Province, Xiamen SEZ in Fujian Province and the Hainan SEZ (the Hainan Province) topped 50 billion yuan last year, up 56 percent over 1990. In addition, total import and

export volume for the zones grew by 25.6 percent to 19.67 billion U.S. dollars and accounted for 14.5 percent of the country's total import and exports.

Shenzhen ranked first in import and export volume by recording a volume of 11.47 billion U.S. dollars, or some 58.3 percent of the total for the five zones.

Industrial products accounted for some 89.2 percent of exports, a figure far above the country's average level.

During the past year, a number of construction projects have been completed and put into operation in the zones, including the airport and new railway station at Shenzhen, the sea bridge in Xiamen, and underwater pipeline at Shantou.

The country's improving investment environment should allow the special economic zones to speed the pace of attracting foreign funds.

In 1991, the five zones approved more than 2,400 foreign funded projects, a 36 percent increase over 1990, and agreed to foreign funded contracts valued at over 2.7 billion U.S. dollar, a rise of 60 percent. The zone accounted for one-fourth of the country's total in both areas.

As "windows" for China's export oriented economy, the SEZs have played an important role in promoting cooperation between China's inland provinces and foreign countries.

To date, governmental departments, inland provinces, municipalities and autonomous regions have established nearly 5,000 enterprises in the SEZs.

### **Coastal Areas Achieve Success in World Market**

*OW2301090592 Beijing XINHUA in English  
0827 GMT 23 Jan 92*

[Text] Beijing, January 23 (XINHUA)—China's open coastal areas have witnessed rapid economic development and enhanced international cooperation and exchanges after a decade and more of reform and opening to the outside world.

The coastal areas have concentrated industries, a big economic strength and developed culture. The local people are comparatively better off, and the areas have a long history of economic cooperation and cultural exchanges with the outside.

To make best use of the advantages of the coastal areas, the Chinese central government decided to gradually open the coastal areas from the south to the north, after the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party in 1978.

Since then, the "golden coastal belt" of the country has made remarkable achievements in economic, technical and cultural cooperation and exchanges with the outside world. And in particular, the area's economy has made a giant stride forward.

Statistics show that in 1990 the value of export industrial products of all the open coastal cities and special economic zones (SEZ) stood at 62.4 billion yuan, more than 30 percent over 1988, accounting for 15 percent of the total local industrial output value. The total export earnings of the open coastal belt reached 17 billion U.S. dollars in 1990, up 20 percent over 1988. Of the total, the value of export products of Shenzhen and other special economic zones stood at 17.4 billion yuan in 1990, an increase of 49 percent over 1988.

The implementation of reform and opening to the outside world has also resulted in an improvement of the economic structure in the coastal areas. Many new industries involving household electrical appliances, petrochemicals and high and new technologies have taken shape. Meanwhile, the improvement of the product mix and development of new products also brought about higher economic efficiency. In 1990 Zhuhai City of south China's Guangdong Province developed 166 new products, and 134 of them have been put into production, making 27.14 million yuan in profits and taxes and more than 10 million U.S. dollars in export earnings.

At present, the 61 cities at the prefectural level have more than 4,000 foreign-funded industrial enterprises. Since 1978, the industrial output value of these enterprises has increased at an average rate of 73 percent a year. The proportion of their output value in the 61 cities' total industrial output rose to 5.5 percent from the former 2.3 percent.

Since 1985, an operation system combining trade, industry and agriculture has been formed in the coastal areas. The development of cooperation between urban and rural areas has also stimulated the growth of export-oriented agriculture in the areas. In Shandong peninsula, the purchasing volume of commodities for export in 22 counties and cities has all surpassed 100 million yuan each; and the total export earnings of the 22 counties and cities stood at 3.9 billion U.S. dollars, accounting for 51 percent of the peninsula's total.

In 1990, the total purchasing volume of commodities for export of the 61 coastal cities reached 110 billion yuan, 3.5 times the figure for 1985; the export earnings of foreign trade ports reached 44.6 billion U.S. dollars, 61 percent up over 1985. The export volumes of four special economic zones including Shenzhen, Zhuhai, Shantou and Xiamen amounted to 5.2 billion U.S. dollars in 1990, nearly eight times the figure for 1985. Shenzhen City has become the second largest exporter following Shanghai in the country. The export volume of Zhuhai City increased 51 times over that before the city was made a SEZ.

In recent years, the coastal areas also saw booming tourism in tandem with rapid economic development.

Statistics show that in the past two years, the 61 cities received a total of 14.06 million overseas visitors. Foreign exchange earnings from tourism surpassed 10 billion yuan, with an annual increase rate of 60 percent.



Meanwhile, a group of domestic and foreign banks and financial organizations have set up sub-branches and agencies in Shanghai, Guangzhou, Shenzhen, Xiamen and Hainan, granting large amounts of funds for local economic construction. At present, nearly 100 financial organizations have got involved in the Pudong new development area of Shanghai, China's leading industrial center.

The development of an export-oriented economy has brought about great benefits to the local people.

In 1990, the gross domestic product of the coastal areas surpassed 600 billion yuan, amounting to 36 percent of the country's total; per capita average of the gross domestic product is 70 percent higher than the national average level, reaching 1,300 yuan; the total industrial and agricultural output value stood at 1,300 billion yuan, accounting for 42 percent of the country's total; the 61 cities' financial income reached 74.7 billion yuan, 48 percent of the total of the country's total 467 cities.

In 1990 the labor productivity of the 61 cities reached 34,730 yuan, surpassing the average level of the country's total cities by 27 percent.

In the 1989-1990 period, the gross domestic product of the 61 cities increased at an average rate of 10 percent. per capita gross domestic product increased by eight percent.

The opening of China's coastal areas was divided into three stages. Since August 1980, the country systematically set up four special economic zones of Shenzhen, Zhuhai, Shantou and Xiamen. Through 12 years of construction, these SEZs have served as a "window to the outside world". In 1984, the central government and the State Council designated a group of open coastal cities including Dalian, Qinhuangdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang and Beihai. Meanwhile, a great number of economic and technical development zones were also established in these cities. On the basis of rapid economic development in open coastal cities and SEZs, the state listed the Zhujiang River delta, Minnan (southern Fujian) area and the Yangtze River delta as open coastal areas in 1985.

In 1989, the state decided to make Hainan Province into the largest special economic zone of the country; and in 1990 the opening of the Pudong new development area of Shanghai was also approved.

The open coastal areas of China cover 10 provinces and municipalities and an autonomous region under the direct administration of the central government including 61 prefecture-level cities, 43 county-level cities and more than 180 counties. The total land space is 420,000 square kilometers.

### **Machinery, Electronics Exports Up by 27 Percent** *HK2401033992 Beijing CHINA DAILY in English* 24 Jan 92 p 2

[By staff reporter Wang Yong: "Machinery, Electronics Exports Up by 27 Percent"]

[Text] Buoyed by a bullish market in Asia and North America, China experienced excellent exports of machinery and electronic products last year, sources from the General Administration of Customs said.

Of the \$14.1 billion worth of exports, which was up 27 percent over 1990, \$11.4 billion ended up in Asian countries and \$910 million in the United States, they pointed out.

The export volume to Hong Kong alone increased 28 percent over last year to reach \$8.8 billion, while exports to Japan rocketed 93 percent to \$520 million. Other Asian countries absorbed a combined total of nearly \$2.1 billion worth of Chinese products, up 47 percent.

Exports to the European Community member nations also soared 21 percent over 1990 to \$820 million, Chinese sources said.

It is noted that the machinery and electronic products accounted for 20 percent of the country's total export volume last year, up 2 percentage points over the previous year. The growth rate of machinery and electronic exports also outpaced that of the country's total exports, which stood at 16 percent last year.

The big-ticket export items include recorders and radios, clocks and watches, television sets, bicycles, telephones and electric fans. They generated a total export volume of \$4.3 billion.

Technology-intensive products like computers, electrical power and transportation equipment also saw a hefty rise in their exports, the sources said. Meanwhile, labour-intensive products accounted for only 17 percent of the total exports of machinery and electronic products, one percentage point lower than 1990.

Among the total export volume, 50 percent came from products processed with foreign-supplied materials, up 34 percent over a year before.

However, exports through border and local trade plummeted 32 percent to \$100 million.

South China's Guangdong Province, which has tilted much of its efforts in the past decade towards developing the machinery and electronic products, took the lime-light from other provinces last year in terms of the export volume. It exported a total of \$8.3 billion worth of these products, up 30 percent over 1990.

Other big exporters following Guangdong were Shanghai with \$1.12 billion, Fujian Province with \$530 million and Liaoning Province with \$500 million.

**Tian Jiyun Cited on 1992 Import Structure Reform**  
*HK3001065292 Hong Kong CHING CHI TAO PAO*  
*in Chinese No 4, 20 Jan 92 p 9*

["China Economic News" article: "Tian Jiyun on Reform of Import Structure This Year"]

[Text] At a national conference on foreign economic work and trade held some time ago, Vice Premier Tian Jiyun stressed that the key to deepening reform of the foreign trade structure in 1992 lies in reforming the import management structure. He pointed out: It is necessary to reform the existing import management structure heavily dependent on administrative means. This reform must be conducted according to the principles of helping improve the industrial structure, coordinating development of imports and exports, and conforming to international trade standards. Various kinds of administrative examinations and approvals should be gradually reduced or simplified, and strict rules and regulations on imports should be worked out to gradually establish a new structure that guarantees the vigorous and sound development of imports. It is necessary to integrate import policy with tariff and industrial policies and gradually establish a mechanism which uses the industrial policy to guide imports and chiefly applies tariff means to regulate imports to boost the coordinated development of imports and exports and develop a benign cycle.

In his view, China should attach importance to both exports and imports. Imports can promote exports and production growth. Exclusive exports without imports or more exports than imports is detrimental to economic growth, nor can it be sustained for a long time.

In his view, worrying that imports will lead to the collapse of national industry is an incomprehensive understanding of the situation. As a developing country, China should provide certain protection to those young industries which have just started. According to GATT guidelines, this is also entirely possible. But protection must be appropriate and it should be aimed at promoting development rather than backwardness. By introducing advanced foreign technology and equipment and appropriately importing similar products from abroad, we can make domestic industries see where they lag behind. This will greatly promote technological transformation in enterprises and the upgrading and updating of products. Since reform and opening up, many trades in China have developed through the introduction and digestion of advanced foreign technology and on the basis of constantly blazing new trails. A lot of commodities which were still imported in large quantities some time ago have now become important export commodities.

**Tian Inspects Guangdong Petrochemical Company**  
*HK3001062592 Guangzhou Guangdong People's Radio*  
*Network in Mandarin 0400 GMT 30 Jan 92*

[Text] Yesterday afternoon, accompanied by Guangdong Vice Governor Ling Botang, State Council Vice Premier

Tian Jiyun inspected the Maoming Petrochemical Industry Company, where he listened to a report on the company's production and construction situation.

Vice Premier Tian Jiyun also went to the Three Distillations Operation Room, where he warmly shook hands with Lu Shuitong, a young worker on duty, who was leader of the fourth shift. Tian also examined a salt solution production record written by the workers and urged the staff and workers to study hard, master advanced oil refining techniques, and raise production standards.

Vice Premier Tian Jiyun and his entourage also inspected a construction site chosen for the future Maoming Ethylene Plant, whose annual output will reach 300,000 tons. Qian expressed the hope that all quarters concerned will join hands and make concerted efforts to successfully build this state key project.

**Additional Reports on Zou Jiahua Anhui Inspection**  
*OW3101063192 Hefei Anhui People's Radio Network*  
*in Mandarin 1100 GMT 30 Jan 92*

[From the "Provincial Hookup" program]

[Text] State Council Vice Premier Zou Jiahua inspected Anhui's Maanshan, Tongling, Wuhu, and Hefei from 24 to 26 January accompanied by Governor Fu Xishou and Vice Governor Shao Ming. After listening to reports by responsible comrades of the provincial party committee and the provincial people's government on Anhui's economic work, Zou Jiahua fully affirmed the appropriateness of Anhui's guiding thought for economic development in the next decade and during the Eighth Five-Year Plan, and its movement in the correct direction and suitability to Anhui's actual conditions.

Zou Jiahua urged Anhui's party and government leadership at all levels to unswervingly implement the party's direction of "one central task and two basic points" in efforts to develop the local economy and to bring to play its own advantages, to give prominence to its own unique characteristics, to develop its own strengths, to take all possible measures to speed economic development, and to improve efficiency in doing a good job in developing Anhui, in order to contribute to the entire nation's long-term stability and prosperity.

State Council Deputy Secretary General Wang Shuming, Vice Minister of the State Planning Commission Ye Qing, and others accompanied State Council Vice Premier Zou Jiahua on his inspection of Anhui. Zou Jiahua and his group arrived in Maanshan on the evening of 24 January. The next morning, he enthusiastically toured the national hygienic city of Maanshan and the large-scale, state-run iron and steel group Maanshan Iron and Steel Plant. Zou Jiahua viewed the spectacular production processes at the nation's only wheel hub factory, the high speed wire rod factory of advanced 1980's international standards, the high strength new "S-type" steel production line, and the 25 million tonne furnace. He

also had friendly chats with workers. He waved his hand repeatedly to convey early new year's greetings to the iron and steel workers waging a hard struggle on the front lines of economic development.

After listening to the Maanshan Iron and Steel Plant's report in the afternoon, Zou Jiahua pointed out that it was not easy for the Maanshan Iron and Steel Plant to develop from a small iron plant to its present position through constant technological transformation and advancement. The plant has treaded the appropriate path and followed the correct guiding thought. From this we can see that regardless of whether it be provincial or enterprise economy, efforts should be made to develop their own strengths marked by uniqueness and competitiveness on the basis of their own advantages. No great achievements can be made by merely competing with popular goods of reliable quality in every field. The Maanshan Iron and Steel Plant has shown its own strength in the course of its development; they must further develop this particular strength and continuously improve product variety and quality. Zou Jiahua also joyously wrote the inscription: "Mountains and rivers are full of obstacles; Magang's [Maanshan Iron and Steel Plant] spirit to strive is even greater."

From 26 to 28 January, Zou Jiahua and group inspected Wuhu's factories, work sites, harbors, and the Chinese University of Science and Technology [word indistinct]. Everywhere he went, Zou Jiahua inquired in depth about the particular location's special characteristics, advantages, and existing problems. He exhorted cadres at all levels to take into account their own advantages and unique characteristics in developing the local economy and to establish local strength so that products can make inroads into domestic as well as overseas markets. Only then can development potential and the future be assured.

In the afternoon of 27 January, Zou Jiahua and group listened to reports made by Lu Rongjing and other responsible comrades of the provincial party committee and the people's government on problems in Anhui's economic development in the next decade and during the Eighth Five-Year Plan. He made some important instructions in accordance with Anhui's reality. Vice Premier Zou Jiahua pointed out: The task of reforming and rectifying China's national economy is basically completed. We are entering a new era of construction. During this period, we must still adhere to the party's basic line of "one central task and two basic points." Our nation's long-term stability and prosperity depend largely on our economic success. A nation such as ours, with a vast land mass and a huge population, needs to mobilize all fields and all categories to develop our economy. However, for local economies, it is quite impossible to simultaneously move all fields and all categories as each locality has different conditions and situation, we can realize national development in all fields and in all categories only through bringing to play each locality's advantages. As such, local economies must be based on unique characteristics to establish its

local and industrial strength. Strength can be in the form of resources, market, technology, and human talent. But most of all, we must strive to finally develop product strength.

Zou Jiahua analyzed: Located in central China, Anhui is an area rich in agricultural resources and with a certain level of mineral resources; as such, the resource advantage must be fully exploited to develop high grade processing in efforts to develop the economy, in order to establish a unique strength. He also pointed out that industrial development should not be divorced from the rural market or else the circular flow of economy would not be achieved. Circulation must be emphasized in economic development, merely speaking in terms of growth rate and gross national product growth is not sufficient to reflect the circular flow of the economy, total volume of sales must be taken into account. From the point of an enterprise's actual efficiency, it must first be able to sell its products. There must also be a circular flow between the industrial and the agricultural sectors and they should not be treated separately. Efforts should be made to upgrade agricultural products' quality, to carry out further processing of agricultural products, and to increase value-added processing, including the development of village and town enterprises, in order to increase peasants' income and improve peasants' purchasing power, which will in turn stimulate industrial development.

Discussing efficiency, Zou Jiahua said: Efficiency is still the bottom line in developing the economy and undertaking projects. A locality must develop its own strength. Strength is not necessarily determined by project scale but only by products. Regardless of the number or scale of enterprises, they will serve no purpose if losses are incurred. In carrying out projects, we must study the necessity and possibility of success and aspects of raw material supply and the market must be taken into consideration. Efficiency must still remain the primary focus.

Vice Premier Zou Jiahua pointed out in particular that Anhui is constantly plagued by flooding disasters and that floods are the main constraining factor in economic development in many areas. As such, Anhui must pay special attention to irrigation projects and relentlessly strive to solve this problem between the Eighth and the Ninth Five-Year Plan periods to eliminate future obstacles in order to stabilize economic development.

#### Meets Economic Conference Delegates

OW3101113592 Hefei Anhui People's Radio Network  
in Mandarin 1100 GMT 30 Jan 92

[From the "Provincial Hookup" program]

[Text] The provincial economic work conference was held in Hefei 25-28 January to review the production conditions of Anhui's industries and transportation, and to work out plans for this year. The meeting also emphatically studied ways to, after taking Anhui's realities into



consideration, successfully transform enterprises' operating mechanism, adjust industries' economic mix, promote technical progress, and enhance economic efficiency.

The meeting noted the general guiding ideologies in improving Anhui's industries and transportation system, which include the earnest implementation of the spirit of the party's central work conference, the Eighth Plenary Session of the 13th CPC Central Committee, and the fifth session of the fifth provincial party committee; the principles of obedience, development, adjustment, and enhancement; the vigorous adjustment of the product mix after making breakthroughs in transforming the operating mechanism; the boosting of technical progress for enterprises; and the enhancement of economic efficiency. All these are needed to push Anhui's industrial production and transportation facilities to a new level. The meeting also set clear-cut goals for industries and transportation for this year and singled out seven steps for their achievement.

Addressing the meeting, Vice Governor Long Nian emphasized the questions of further emancipating the mind, updating concepts, transforming the operating mechanism, and deepening reform. He said: In recent years, the gap between Anhui and other advanced provinces and municipalities has been found not only on economic and technical levels but also, more importantly, on the degree of mental emancipation. He pointed out: Developing a socialist planned commodity economy is a new topic, which has no ready pattern to duplicate. It is up to us to boldly explore it in the course of practice. Projects which have been decided by the state have to be fully implemented. For other unspecified projects, we have to creatively carry them out based on the broad principles of the state and according to local conditions. As long as the project is conducive to the development of productivity and the achievement of wealth for the province, city, or county, we should unswervingly go ahead by overcoming obstructions.

In his speech, Long Nian emphatically pointed out: Currently, quite a number of problems still exist in our economic functions. The deep-seated cause is enterprises have not yet cardinally changed their operating mechanism. As a result, enterprises find it extremely difficult to run their business independently, to be responsible for their own profits and losses, and to be relatively independent producers and operators of commodities. As such, the bonus will be given as usual though the enterprise is running at a loss; the factory director will still hold his official post in other places despite the failure of his enterprise; and no worker will be removed due to redundancy. Under such circumstances, enterprises will find it difficult to raise efficiency. He said: Consensus has currently been reached at all levels on the transformation of the operating mechanism for enterprises. Each and every enterprise should wisely utilize available policies and conditions, and make efforts to transform their operating mechanism. At present, what is most important is to smash the "big rice pot" by establishing an

operating mechanism under which enterprises have to run their business independently; to break the "iron rice bowl" by setting up a system of flexible work assignments; and to break the "iron chair" by introducing a management mechanism under which both workers and cadres are subject to dismissal, employment, promotion, and demotion. Governments in various localities as well as various departments should also take the initiative to create conditions necessary for the enterprises to change their operating mechanism; make an effort to ensure smooth deepening of reform; and lift Anhui's economy onto a track of a beneficial cycle.

On 28 January, the last day of the meeting, the CPC Central Committee and State Council's comfort delegation to Anhui's disaster areas, led by State Council Vice Premier Zou Jiahua, met some delegates to the provincial economic work conference and provincial meeting on restructuring the economy at Daojianglou Guest House, and took a group photograph with them.

#### Article Views Enterprise Structural Adjustment

HK2301091092 Beijing JINGJI CANKAO BAO  
in Chinese 23 Dec 91 p 4

[Article by Mu Guomin (4476 0948 3046) of State Council Production Office; Tang Mingfeng (0781 2494 1496) of State Council Development Research Center; Zhang Buling (1728 2975 0393) of Central Television Broadcasting Station; and Liao Yi (1675 5669), JINGJI RIBAO staff reporter: "Economy Picks Up Rapidly But Structural Adjustment Encounters Great Difficulties"]

[Text] We went to Jiangxi and Guangdong in early and mid-November to investigate and study the economic situation and found that the problem of economic structure remains the focus of various economic contradictions in our country.

#### Rapid Economic Upturn May Again Worsen Economic Structure

At present, Guangdong's industrial production basically maintains steady growth and Jiangxi's industrial production has also been steadily climbing back since the second half of 1990. Guangdong's industrial output value in 1990 showed an annual increase rate of 16.3 percent; the rate for January-September this year was 23.7 percent up compared with the same period last year and the current development rate is at about the same level as during the Seventh Five-Year Plan. Parallel with the high-speed production growth, fixed-asset investment has also been strengthened. The fixed-asset investment in units under whole-people ownership rose by 18.8 percent in 1990, and by 26.7 percent from January to September this year. Of this, the basic investment growth rate was higher than the production growth rate by 1.5 percentage points. Since much of the investment will take place toward the end of 1991, the production rate will pick up speed in the next two months. Guangxi's industrial production climbed back at a slower pace than Guangdong but was still good in the national context.

The province's 1990 industrial production growth rate was 8.7 percent and rose to 12.8 percent from January to October compared with the same period last year. An annual growth rate of over 10 percent is expected this year. Since the start of this year, Jiangxi's investment growth rate has been higher than the production growth rate by 10 percent and a 20.6 percent annual growth rate is expected. The rapid investment growth has further promoted production growth and effected a big increase in demand. The once-eased energy and transport shortage—eased thanks to improvement and rectification—has again become serious. Jiangxi's electricity supply in September was tight. Current daily industrial production is short of power by 300,000 kilowatts, which means that one-fifth of marketable productive forces is being wasted and transport is short in excess of 200 railway wagons each day. Guangdong's power supply is about 30 percent short. From July to September, many enterprises were forced to operate four days a week and railway transport is about 300 wagons short a day. In view of this situation many local comrades are again worried about another round of economic overheating which may result in infrastructural industries such as those in energy, transport, postal and telecommunications, and main infrastructural industrial enterprises again lagging behind the development of light and processing industries. This will further constrain the entire social and economic development, sharpen economic structural contradictions, and cause new inflation.

#### **Existing Structures Constrain Enterprises Adjusting Product Mix**

The rationalization of production structure requires that the state correctly grasp the direction of investment and enterprises continually adjust product mix according to state industrial policies. One outstanding policy of the central authorities on properly handling large and medium enterprises is to vigorously encourage enterprises to take the initiative to adjust product mix. However, barriers between departments and different regions and independent financial responsibility have laid numerous unconquerable difficulties for enterprises. For example, to adjust to our country's medical circles' demand for amino acid medicine and the requirements to develop and manufacture amino acid, Yingtan Biochemical Factory (formerly Yingtan Phosphorous-Fertilizer Factory) planned to invest 49.8 million during the Eighth Five-Year Plan, to build a plant with the capacity of producing 300 tonnes of amino acid material using the fermentation method. Such a large sum, unlisted in the state plan, was too much for an authority at the provincial level. But to get it listed on the plan, the project must come under different departments and regions. Yintan Biochemical Factory belongs to the chemical industry but its amino acid medicine was a medical field product. As a result, there was no question of the chemical industry alone undertaking the project, while financial contracts in the medical field were all horizontally integrated. When the finance of a locality is affected, provincial and city authorities would not say

yes. At present, the problem of overlapping jurisdiction over the project is in the air.

#### **Enterprises Lack Ability To Take Initiative To Adjust Product Mix**

According to a Jiangxi Province sample poll of 61 large and medium enterprises, the net value of their fixed-assets is less than 50 percent of their original value, and as little as 30 percent in some enterprises. Four factors were mainly responsible for such a state: 1) Too much of the financial earnings are taken away; 2) the fixed capital depreciation rate is too low. Only 20 percent of Jiangxi's equipment is of the 1980's standard. On a 4.6 percent depreciation rate, 20 to 30 years must lapse before there can be total renewal; 3) comparable prices between products remain irrational. Despite three years of improvement and rectification, the effects of the price control policy on regions has not been the same. Price levels in developing regions producing mostly raw materials remain low and enterprises in these regions cannot compete with their counterparts in developed regions. Therefore, raising depreciation rate will increase losses but not doing so will make independent product mix adjustment more difficult; and 4) there are too many social burdens for enterprises and too little is left for the enterprises. Some cannot even maintain reproduction, much less conduct technological development or product mix adjustment.

#### **Some Suggestions**

**1. Production rate must be under control but this should vary from region to region.**

Production rate in economically relatively backward regions producing raw materials can be faster. That in economically relatively developed zones where light and processing industries are developing too fast, must be kept under strict control. The rate for coastal economic development zones may be determined according to their production structures and the status of foreign capital employment.

**2. Continue to control total volume and promote structural adjustment.**

With the ending of improvement and rectification, we cannot afford to ease up the control on total volume. On the one hand, we must distinguish different situations among different regions in assigning credit quotas; on the other hand, we will continue to peg loans to enterprises to loan-reduction measures, making clearing of debt chains, and the extent of such an effort, a condition for loan extension.

**3. Perfect the depreciation system.**

We may allow enterprises which can guarantee completion of missions and have the necessary endurance ability, to properly raise the depreciation rate and those

enjoying good sales to take two percent from their sales earnings so that they can increase funds for developing new products.

#### 4. Regulate various fees and charges by means of a foundation system.

At the present stage, as there are still many unreasonable problems in the distribution system, it is difficult to stop unjustified levying. As Lin Chengxing, deputy director of the Jiangxi Provincial Economic Commission, summed up: "Everybody hates the 'three unreasonables' but everybody likes them." Everybody, including enterprises, hates unreasonable levies and fines but likes to cash in on the situation and raise prices wantonly. Basically, perfecting a foundation system will standardize necessary or reasonable levies and bring unjustified enterprise price hikes and unjustified levies by other departments under the control of state industrial policies, thus complementing state investment policies and making the foundation system a good form of planned commodity economy.

### Country's Market Construction Progressing

OW2301092892 Beijing XINHUA in English  
0903 GMT 23 JAN 92

[Text] Beijing, January 23 (XINHUA)—China's market construction is moving towards its second boom, with big progress achieved in 1991.

Last year over four billion yuan was put in market construction nationwide, setting an all time high since the founding of New China in 1949; the market sales volume reached 260 billion yuan, constituting one fourth of the country's total sales volume.

At present a major characteristic of China's market development is the trend of diversity. With the development of rural and daily goods markets, the markets handling means of production and key elements for production are also increasing.

These newly-emerged markets mainly include industrial products market, motor vehicle market, steel market, timber market, and real estate market; grain markets have also been opened in Jiangsu, Hebei, Guangxi, Sichuan and some other places; and the Shenzhen City administration of industry and commerce in south China has ratified the opening of an auction market.

Not long ago a gauze wholesale market was built in Jinan, capital of Shandong Province, and attracted many businessmen from all over the country, with a monthly trade volume of more than five million yuan.

At present more and more large-scale, high-quality and multi-function markets are mushrooming throughout the country.

Last year Guangdong Province invested 500 million yuan to construct rural markets, and most of its counties

and cities have constructed multi-storey market buildings. Shaoxing and Yiwu Cities in Zhejiang Province, Baoji City in Shaanxi Province and Jixi City in Heilongjiang Province have all achieved prominent progress in market construction.

Now more state-owned industrial and commercial enterprises have entered country markets, together with some foreign-funded enterprises.

In terms of trading style, wholesale and futures deals have been further developed. Some agricultural and side-line products markets are exerting influences to neighboring provinces and cities. Vegetables and fruits marketing has formed a nationwide circulation network.

An official from the state's market management department said that more wholesale markets for agricultural, the sideline and industrial products will be constructed in counties and small cities, while medium-sized and large cities will mainly develop all kinds of specialized markets.

### Retail Sales Growth To Slow in 1992

HK2301052592 Beijing CHINA DAILY in English  
23 Jan 92 p 1

[By Wang Xiangwei: "Retail Sales Growth Not Likely To Be Big in 1992"]

[Text] China's retail sales for 1992 are unlikely to increase markedly because of significant reductions in income in flooded rural areas and forthcoming housing and medical care reforms, according to the State Statistics Bureau.

Bureau economists put the annual retail sales growth rate for 1992 at little more than 10 percent.

And when describing 1992 they predicted the growth rate would be "stable".

Statistics show that retail sales for 1991 managed to bounce back to normal after coasting along for three years following the government's decision to start an austerity programme in the fall of 1988.

Retail sales for 1991 stood at 939.8 billion yuan (\$172.44 billion), an increase of 13.2 percent.

Adjusted for inflation, the 1991 real growth rate was up 10 percent from 1990, falling in line with the average annual growth rate of 10.2 percent from 1980-88.

Economists pointed out that growth did not come easy, as 1991 witnessed unprecedented flooding in the country's most prosperous regions as well as some significant price hikes.

And they said that those factors would continue to produce adverse effects on both consumers' pockets and their confidence.



On top of this, consumption of durable consumer goods had already reached saturation point, leaving lowered demand in urban cities.

More important, central government has decided to start housing and medical care reforms this year, further straining the expenditure of most urban residents.

Throughout 1991, statistics showed that various commercial sectors posted growth rates. Collectively-owned commercial departments registered a 7.6 percent rise, State-owned commercial firms were up 14 percent, and self-employed businesses increased 24 percent.

A close look showed that retail sales of consumer goods stood at 822.7 billion yuan (\$150.95 billion), an increase of 13.5 percent, while the retail sales of agricultural raw materials rose 11.5 percent to 117.1 billion yuan.

But it seems that Chinese consumers still spent more on foodstuffs and durable goods than on clothing.

Figures show that retail sales of grain, edible oil, meat, and eggs all posted rises in 1991.

Excluding electric fans and cassette recorders, sales of durable electric consumer goods were very good, particularly in bigger cities.

A survey of 34 big department stores showed that in the first 11 months of last year, sales of air conditioners rose 120 percent; stereos were up 70 percent; imported cameras went up 49 percent; pianos rose 63 percent, and electronic musical keyboards increased 32 percent.

#### **Vice Minister on Township, Town Enterprises**

HK1701103592 Beijing NONGMIN RIBAO  
in Chinese 25 Dec 92 p 4

[Article by Ma Zhongchen (7456 1813 5256): "Comprehensively Implement 'Decision' of Eighth Plenary Session, Strive To Create New Situation in Township and Town Enterprises in 1990's"; first paragraph is editor's note]

[Text] After the end of Eighth Plenary Session of the 13th CPC Central Committee, this newspaper is publishing some articles on study and exposition of the guidelines of the Eighth Plenary Session. Today, we again recommend to readers the article written by Ma Zhongchen, executive vice minister of agriculture, on how to do the work of township and town enterprises well. In accordance with the "Decision" of the Eighth Plenary Session, the article has made penetrating elaboration on the achievements and significance of our township and town enterprises, their historical mission in the 1990's, basic principles, development orientation, and relevant policies and measures. It is well worth reading by comrades from all quarters.

The Eighth Plenary Session of the 13th CPC Central Committee is a meeting with far-reaching significance. It will profoundly influence and lend tremendous impetus

to the entire historical process of building socialist agriculture and the rural economy with Chinese characteristics under party leadership. The "Decision on Further Strengthening Agriculture and Work in Rural Areas" adopted at the session has made a systematic summary and overall arrangement on the rural work of our country as a whole. It is a programmatic document which inherits the past and ushers in the future in guiding and promoting our agriculture and work in the rural areas. As an important aspect of our rural work, township and town enterprises have aroused great attention at this session. This is also relatively fully reflected in the "Decision."

The "Decision" of the Eighth Plenary Session has fully affirmed the development results and major significance of the township and town enterprises of our country, and definitely forwarded the objectives, tasks, basic principles, development orientation, policies, and measures for township and town enterprises in the 1990's. To comprehensively study and implement the "Decision" of the Eighth Plenary Session, it is necessary to unswervingly and continuously take firm control of the work of township and town enterprises while making efforts to do other work of agriculture and the rural economy well, maintain the good momentum of a sustained, steady, coordinated, and healthy development of township and town enterprises, and strive to further initiate a new situation for township and town enterprises in the 1990's.

#### **I. Achievements and Significance of Township and Town Enterprises**

Since the founding of the PRC 40-odd years ago, especially over the past decade or so of reform and opening up, our township and town enterprises have grown out of nothing, developed gradually from small to large, kept on expanding, and attained tremendous achievements in the course of reform and development. At present, township and town enterprises have held an increasingly important position in and producing an increasingly far-reaching impact on our rural economy and the national economy as a whole. Last year, the total output value of our township and town enterprises accounted for 25.2 percent of the country's total and 67 percent of the country's agricultural total output value respectively; this year, the total output value of township and town enterprises is expected to reach more than one trillion yuan, increasing by 20-odd times over 1978. By the end of 1990, 92 million people had been arranged as labor power in township and town enterprises, namely, the surplus labor power in the rural areas were largely arranged for employment through the development of township and town enterprises.

Now it is absolutely possible to say that our township and town enterprises have become an important pillar and a major component part of the national economy, a major supplier of market commodities, an important source of financial revenue and foreign exchange income, a key channel for increasing peasants' income,

and a vital force in supporting and building agriculture as well as in the construction of medium-sized and small cities and towns. The development results and profound significance of township and town enterprises lie in the following: On the one hand, they have created enormous material wealth and made important contributions to mitigating the major contradiction in the present stage between the people's growing material and cultural demands and the backward social productive forces; on the other hand, they have opened up a practical way to solve the problem of providing an outlet for our rural labor power, changing peasants from poor to rich, and carrying out the agricultural modernization drive. Moreover, the reform and development of township and town enterprises have provided a lot of valuable experience for pushing ahead our national economic structural reform and for exploring the operation mechanism for our socialist economy with Chinese characteristics; they have made positive contributions to narrowing the difference between cities and villages, consolidating the industrial alliance and preventing peaceful evolution. Therefore, the rapid rise and vigorous development of our township and town enterprises have not only accelerated a series of profound changes in our rural economy, but also played a positive role in the reform and development of the national economy as a whole. Just as Comrade Deng Xiaoping has said, "The greatest result yielded in the rural reform is the development of township and town enterprises, a new force suddenly coming to the fore, which solved the employment problem of the surplus labor power in the rural areas." At the session Comrade Jiang Zemin pointed out that "The energetic rise of township and town enterprises is a significant achievement of our rural reform of the past 10 years or so. They are newly emerging things with flourishing vitality, which have played a major role in invigorating the rural economy, increasing the peasants' income, and arranging the surplus labor power for local employment in the rural areas." Consequently, we must fully affirm the development achievements of township and town enterprises from the high plane of economic, political, and social development in accordance with the spirit of the "Decision" of the Eighth Plenary Session and thoroughly understand the vital significance of township and town enterprises. These achievements are not only an objective evaluation of township and town enterprises in the 1980's, but also an important foundation for continuing to do the work of township and town enterprises well in the 1990's.

## II. Historical Mission of Township and Town Enterprises in 1990's

For a considerably long time to come, the sustained development of township and town enterprises will be of great significance and exert a profound influence on the development of our agriculture and rural economy. It will also be a very important aspect of the development of the national economy as a whole. In the 1990's, our township and town enterprises are faced with even more arduous tasks. To put it briefly, without the stable and

sustained development of township and town enterprises, there would be no stable and sustained development of the entire rural economy, and without their comprehensive enhancement and progress, there would be no comprehensive enhancement and progress of the rural economy. In the entire course of realizing the magnificent goal of our agriculture and rural work in the 1990's, township and town enterprises are shouldering the important historical mission in the great practice of building socialism with Chinese characteristics.

First, the stability of agricultural production and the prosperity of the rural economy are closely bound up and connected with the development of township and town enterprises. In the 1990's, a large amount of input will be needed for our agricultural production to scale a new height, the comprehensive agricultural production capacity to have a greater increase, and the agricultural modernization to make a step forward. With a view to solving the problem of insufficient agricultural input, the central authorities and the governments at all levels must increase input of funds and, what is more, the peasants and all sectors of the society must inject more funds through various forms and channels, including the injection of funds into agriculture by township and town enterprises. In Jiangsu, Zhejiang, and Shandong, where township and town enterprises are flourishing, the principal way is to boost the rural economy and increase the actual strength of the entire local economy through the development of township and town enterprises and, in turn, increase considerable input on agriculture to set up high- and stable-yield farmland, amplify various socialized service systems, and intensify the solid agricultural foundation at a higher level. This successful way of vigorously developing township and town enterprises based on agriculture while practicing the principle of supplementing and building agriculture with industry has displayed the embryonic form and prospects for realizing our modernized agriculture. Judging from the characteristic of our national conditions, the future agricultural development will depend more and more on the development of township and town enterprises to increase the input on agriculture.

Second, the increase of peasants' income and the realization of the objective of leading a relatively comfortable life in the 1990's hinge, to a certain extent, on the development of township and town enterprises. Proceeding from our national conditions, with a peasant population of 900 million and the per capita farmland being only one mu, it is difficult, in any case, to increase the peasants' income by big margins if we merely depend on intensive cultivation to raise the production ratio of land or on the increase of farm products' procurement prices by the state. Hence, we must energetically boost diversified operations and develop township and town enterprises while maintaining the steady growth of agricultural production. This is both a successful and the only way that we must follow.

Third, it is necessary to open up a new prospect to transfer surplus rural labor power and optimize the rural

employment structure by way of developing township and town enterprises. As predicted, under the precondition of meeting various demands in agricultural production, the rural labor power will have a surplus of about 150 million people by the end of this century. How to properly arrange the employment of such a large work force and optimize the rural employment structure will be an issue of fundamental importance in our rural economy and the national economy as a whole. It should be principally settled by developing township and town enterprises rather than by flowing into big cities or considerably expanding state-owned industries.

Fourth, the collective economy and rural social undertakings cannot expand and grow without the development of township and town enterprises. At present, many regions in our country, where the collective economy is flourishing or where the rural social undertakings such as rural education, cultural life, spiritual civilization, public welfare, and town and village construction are well run, are all characterized by their relatively thriving township and town enterprises. Township and town enterprises have solved a number of problems of the rural social undertakings, and the basic-level cadres and masses have increasingly experienced the remarkable role of township and town enterprises in developing the rural undertakings. As some cadres and masses in the economically developed regions have said: "Without township and town enterprises, various rural social undertakings would not be able to operate properly or to operate at all." It is true at present, and it will be true in the future as well.

Fifth, township and town enterprises are required to play a greater role in realizing the second-step strategic objective and bringing about a prosperous national economy. According to the basic ideas of our national economic development strategy, our gross national product will double again in the 1990's. Township and town enterprises, which are distributed in various localities of our country and cover various trades and professions, will create more material wealth and make up a considerable share of the gross national product. Meanwhile, township and town enterprises also provide increasingly more consumer goods, raw and semifinished materials, semifinished products, spare parts and components, and labor service to large- and medium-sized state enterprises. This is conducive to promoting GNP growth.

Therefore, our township and town enterprises will shoulder a more important historical mission than before in the 1990's. Just as the "Decision" of the Eighth Plenary Session pointed out: "Developing township and town enterprises is the only way to bring about a prosperous rural economy, increase peasants' income, and give an impetus to the agricultural modernization drive." Vigorously developing township and town enterprises is not an expedient measure, but a long-term strategic decision. In the 1990's, while paying attention to agriculture and rural work, we must take firm control of township and town enterprises vigorously, steadily, and unflinchingly.

### III. Implement Guidelines of "Decision" and Strive To Initiate New Situation for Township and Town Enterprises

After the reform and development in the 1980's, our township and town enterprises have surpassed an important stage from a pioneering to a rising situation and entered a period of being gradually popularized in a vast area and unceasingly elevated in the advanced area. The production, operation, and management of many township and town enterprises have reached a higher level. However, the development of township and town enterprises in various localities of the country at present is uneven, and the uneven nature is more prominent than other industries in the rural areas; township and town enterprises themselves also encounter many difficulties and problems in the course of development. Because of the changes of some macro policies and the micro environment, the advantageous condition and development superiority of township and town enterprises regarded by people in the past has slowly weakened, and some restricting factors and their own weaknesses have gradually appeared. In this regard, how to adapt themselves to the new situation and strive to maintain a good momentum of sustained and stable development is an important subject facing our township and town enterprises in the 1990's. We hope the development of township and town enterprises in the 1990's will usher in a new development stage generally characterized by adjustment, elevation, and steady growth. Through adjustment, they will suit the needs of overall development of the national economy and those of the markets at home and abroad; through elevation, they will improve their technology, quality, and operation and management level and be able to stride into the ranks of modernized industrial enterprises. Only by working arduously and unremittingly can township and town enterprises ensure their sustained and steady development and remain invincible under the keen market competition as well as the complicated and ever-changing situation. In concrete work, it is necessary to pay particular attention to the following points:

First, in line with the spirit of the "Decision," continue to put into practice the principle of "giving active support, making a rational plan, providing correct guidance, and stepping up control" and unswervingly support the development of township and town enterprises. The CPC Central Committee's policy on supporting township and town enterprises is very definite, so all localities must formulate specific policies and measures in accordance with their practical conditions to create a suitable environment for supporting the development of township and town enterprises. Special attention should be paid to maintaining the continuity and consistency of policies toward township and town enterprises, and the practice of suspecting, censuring, or even battering township and town enterprises at some disturbance or trouble should be checked. Along with the current efforts to invigorate large- and medium-sized enterprises, the efforts to develop township and town enterprises must not be relaxed.



Second, make rational plan and give classified guidance. Township and town enterprises must continuously raise their economic results under the precondition of protecting natural resources and making rational and full use of the resources, and they must maintain proper development speed under the precondition of ensuring quality and striving for practical results. In the ethnic minority and economically underdeveloped regions, it is necessary to give full play to their advantages and accelerate the development in a planned way. In light of different regional economic features, all localities should work out suitable overall development programs and give classified guidance with the main points highlighted. Based on the original foundation, the coastal area should expedite its technological transformation for developing new high-grade products; the central area should give full scope to its advantages of local resources, undergo a comprehensive economic development, and raise the level of processing industry; the western area should introduce qualified personnel from elsewhere and import technology, expand lateral association, and set up a number of material processing key enterprises to promote an overall development.

Third, deepen reform and increase vitality. It is necessary to continuously maintain and bring into play the advantages of flexibility of township and town enterprises and, under the precondition of stabilizing and perfecting the existing policies, continue to deepen reform of enterprises. The contract responsibility system must be stabilized and constantly improved; in the places where conditions exist, it is necessary to energetically and steadily push on the shareholding system with public ownership as the main body and, on a voluntary basis, lead the individual businesses and privately owned enterprises in taking the road of shareholding cooperation in a bid to expand the collective economy. It is necessary to lead township and town enterprises in participating in or forming enterprise groups allow them to merge or reorganize among enterprises through economic means and become a new overall advantage to increase new productive forces. The "Decision" of the Eighth Plenary Session has definitely stipulated: The export-oriented enterprise groups, which come up to the requirements, should be vested with a certain foreign trade power for imports and exports and encouraged to get involved in market competition. This is a very important policy, and all localities should be earnestly organized to put it into practice.

Fourth, enhance enterprises' entire quality and economic results. The development of township and town enterprises must follow the road of relying on scientific and technological progress and of taking intensive development as a key link. In those areas where township and town enterprises got a relatively late start, the establishment of township and town enterprises should also be adapted to the new situation, and their starting points should be higher in terms of technological level and product quality. This should be regarded as a strategic measure in raising enterprises' quality and increasing

their competitive ability and reserve strength. It is necessary to work out policies, give encouragement and guidance to enterprises in taking firm hold of technological transformation, continue to develop new products and apply new technology, and make efforts to organize production in line with the international and state criteria. It is necessary to strengthen the enterprise management, promote township and town enterprises' "three creations" (creating superior quality, creating new ideas, creating foreign exchange) and "four boostings" (boosting standard, boosting quality, boosting management, boosting grade) (shang shui ping 0006 3055 1627, shang zhi liang 0006 6347 6852, shang guan li 0006 4619 3810, shang deng ji 0006 4583 4787), and enhance enterprise quality and economic results so our township and town enterprises will be able to gradually shift from substantial growth of output value to substantial enhancement of quality in the 1990's. In the meantime, all localities must adapt themselves to market changes, establish incrementally a risk mechanism for township and town enterprises to intensify their ability to suit and resist various natural and market risks.

In order to develop township and town enterprises, it is necessary for governments at all levels to strengthen leadership over them, for various departments concerned to enthusiastically coordinate and give support, and for the competent administrative departments at all levels to further step up their own building to conscientiously provide even more meticulous guidance with still greater energy. Along with taking firm control of enterprises' economic development, it is necessary to expedite the building of spiritual civilization in real earnest, constantly raise the political quality of workers and staff members, and bring up a contingent of new-type socialist workers and staff.

We believe that as long as we comprehensively put into practice with concerted efforts the guidelines of the "Decision" adopted at the Eighth Plenary Session, our township and town enterprises will attain an even more positive and healthy development in the 1990's and will make still greater contributions to realizing the magnificent goal of our socialist modernization and to building socialism with Chinese characteristics.

#### Rural Areas Suffering Energy Shortages

HK2301043992 Beijing CHINA DAILY in English  
23 Jan 92 p 4

[By Zhai Feng: "Rural Energy Shortage Is on Top of Agenda"]

[Text] Despite steps taken to produce more energy resources in the last few years, rural areas are still lacking oil, coal and electricity to fuel furnaces and machines.

According to the Ministry of Energy, the average per capita energy consumption in the countryside is only 0.38 tons of standard coal each year, less than half the national level.

Rural areas face shortages of nearly 4 million tons of diesel oil, 20 billion kilowatt-hours of electricity and about 16 million tons of coal each year.

That is why overcoming energy shortages is now on top of the government agenda.

A four-day conference in Beijing, which wound up on January 14, launched a five-year energy programme to alleviate energy shortages in the countryside.

The meeting was co-sponsored by the State Planning Commission (SPC), the Ministry of Agriculture, the Ministry of Finance, the Ministry of Water Conservation, the Ministry of Energy, and the Ministry of Forestry.

The programme, which will be implemented from 1991 to 1995, encourages 100 counties to exploit wind, solar, geothermal and tidal energy, hydropower, marsh gas and other energy resources—and to protect the environment—in a bid to develop local economies.

On January 13, Premier Li Peng told the meeting's participants, "All the rural areas must put equal emphasis on energy resources development and conservation."

The SPC and the Ministry of Finance will jointly invest 4 million yuan (\$740,740) in the programme each year, while local governments will inject 14 million yuan (\$2.6 million) into it.

This programme is another big step taken by the government to deal with rural energy shortage problems.

Since 1983, the government selected 18 counties to experiment on rural energy resources exploitation in a comprehensive way.

Through developing solar energy, bio-gas, hydropower or coal, these counties have succeeded in solving their energy shortages.

At the conference, Ye Qing, Vice-Minister of the SPC, said, "In the coming years, rural areas will have to spend more money on reinforcing energy-saving technology research and expanding the research findings."

Fruits of the past efforts have proved that such ideas work.

The SPC data showed that more than half of rural families utilized energy-saving stoves by the end of 1990, and as a consequence saved 35 million tons of crop stalks and firewood each year.

And at least 3 million hectares of young trees are conserved a year, thus slightly easing the country's soil erosion problem.

During the last 10 years, more than 3.9 million hectares of forest have been planted, and as a result the nation can produce 140 million tons of firewood each year.

Zhu Liangdong, deputy director of the Department of Resources Conservation and Comprehensive Utilization under the SPC, said that the increase in firewood reserves has relieved strains on the country's firewood supplies.

Bio-gas has also become a popular energy resource in the countryside.

According to the SPC, nearly 5 million rural families have employed bio-gas to stoke furnaces around the country.

Moreover, rural areas have reaped benefits from the development of new energy resources such as tide, wind, geothermal and solar power.

Vice-Minister of Agriculture Hong Fuzeng said that about 3,200 service industries have been set up to spread new energy-saving technology and products during the past few years.

"To further develop energy resources is critical to the target of assuring farmers decent food and clothing by the end of this century, which was a goal set by the government in the early 1980s," stressed Gu Shuhua, deputy director of the Rural Energy Branch of the China Energy Research Society.

He said in an interview with CHINA DAILY that energy shortages in the countryside are an aftermath of former government policies.

In the 1970s and early 1980s, when the energy industry in China was underdeveloped, the government did not cover the rural consumption of commodity energy resources, such as coal and oil, in the economic plans.

Even today the bulk of commodity energy resources are controlled by government plans, so rural areas have many difficulties in purchasing needed energy resources.

Each year commodity energy resources allocated to rural areas by the government total no more than 200 million tons of standard coal, less than one-fifth of the country's total, although rural industries produce about one-third of the country's total goods and services.

Gu estimated that commodity energy resources consumed annually by rural industries and agriculture are equal to 5 million tons of standard coal.

Another cause of the energy shortages in the countryside is the low growth rate of the energy industry.

Due to the booming rural industries, on average the rural consumption of commodity energy resources has increased by 15 percent each year during the past decade, faster than the energy industry.

"The future energy situation is serious," said Zhu Liangdong, who is in charge of the work of the 100 counties' future energy exploitation and conservation.

He estimated that the consumption of commodity energy resources in rural areas is to reach about 700 million tons of standard coal by the year 2000.

Energy shortages in the countryside have incurred serious damage to the environment, Zhu commented.

Each year more than 200 million tons of firewood and crop stalks are burned, usually crop stalks considered valuable organic fertilizers, causing a decline in the fertility of cultivated land.

In addition, farmers who lack fuel probably cut trees and grass to burn in their stoves, and as a result aggravate the country's soil erosion problems.

More worrying is that rural areas with a shortage of energy supplies, where the economy is underdeveloped in most cases, suffer from poverty, Zhu said.

#### **S&T Commission To Open Rural Markets**

*OW2301153492 Beijing XINHUA in English  
1408 GMT 23 Jan 92*

[Text] Beijing, January 23 (XINHUA)—The State Science and Technology Commission has decided to establish rural technology markets in order to further boost agricultural production.

The first step of the program which was approved by the State Science and Technology Commission will be to open experimental rural technology markets in a number

of cities and counties in Hebei, Shanxi, Jiangsu, Jiangxi, Zhejiang and Hunan Provinces and the Guangxi Zhuang Autonomous Region.

The goal of the markets is to determine the further potential for such rural markets and to promote the application of the advanced and practical technology in rural areas.

In addition, the markets will provide a number of technology services to farmers, including technology transfer and consulting services to boost the development of the commodity economy and agricultural production in rural areas.

The program stipulates that opening experimental rural technology markets includes the establishment of a working system for the markets under the leadership of county science and technology committees; the establishment of a dual management system which encompasses both unified and independent management; maintaining the present household contract responsibility system in order to ensure the development of a service network and the management of township enterprises; the establishment of a core system for the rural technology markets which combines and coordinates technology, materials, sales, and credit and loans, as well as taxation and the administration of industry and business.

The program calls for the experimental technology markets to be established within two years.



### East Region

#### Lu Rongjing, Others Attend Tea Party for Cadres

OW3101090892 Hefei Anhui People's Radio Network  
in Mandarin 1100 GMT 30 Jan 92

[From the "Provincial Hookup" program]

[Text] On 28 January the Anhui Provincial CPC Committee and the provincial government sponsored a spring festival tea party in honor of veteran cadres at the (Daoliangluo) Hall in Hefei. Drinking tea, everyone happily celebrated the spring festival. Party, government, and military leaders—including Lu Rongjing, Wang Guangyu, Meng Fulin, Yang Yongliang, Liu Guangcai, Zhao Baoxing, Zheng Rui, Ying Yiquan, Kang Zhijie, Chen Tianren, Du Hongben, Wang Zenong, (Kang Lezhang), Ma Leting, Meng Yiqi, Zhao Huaishou, Shen Shanwen, Chen Peisen, (Peng Ze), (Zeng Yuncai), (Xu Xiqi), and (Ou Yuanfang)—attended the tea party, as did some 300 veteran cadres—including Li Shinon—and responsible comrades from provincial organs and from Hefei.

Liu Guangcai, member of the Standing Committee of the provincial CPC committee and head of the provincial organization department, presided over the tea party. Deputy provincial party secretary Meng Fulin spoke at the meeting. On behalf of the provincial CPC committee and provincial government, Meng Fulin greeted veteran cadres at the gathering and conveyed seasonal greetings and lofty regards to all retired cadres in the province.

Meng Fulin said 1991 was an unusual year for Anhui. Despite the changeable international situation and major floodings, people in Anhui have always adhered to the basic line of one central task and two basic points; engaged in hard struggle; reduced flood-related losses to a minimum; won a major victory against floods; and helped maintain overall stability throughout the province. The fight against natural disaster has also brought about the strengthening of party and clean-government buildings, cemented relations between the government and the masses, and promoted the building of spiritual civilization. At present, the province is experiencing political, economic, and social stability. People are also forward-looking.

Looking back and reviewing past achievements, we should never forget the major contributions of veteran cadres. During the anti-flood struggle last year, veteran cadres throughout the province bore the same hardships along with all the people in the province, and advanced suggestions and opinions on resumption of production and rebuilding homes. They also generously donated money and materials for people affected by floods. This fully manifests their lofty character of loving the people and of sharing the burdens of the state. Facts have convincingly showed that veteran cadres are the treasure of the party and the state. They are worthy of the name of people's heroes. Meng Fulin called on all levels of party committees and governments to have a deep

understanding of the guidelines laid down by Comrade Jiang Zemin on doing a good job for veteran cadres; prioritize veteran cadres' work; regularly hear briefings on veteran cadres' work; earnestly study and help solve major problems in veteran cadres' work; and better bring to play the roles of veteran cadres. All levels of departments involved in veteran cadre work should do their work in a conscientious, positive, and responsible manner. In order to do a better job in our province's veteran cadres' work, it is also necessary for other relevant departments to give close coordination to and support departments involved in veteran cadres' work. At the same time, we also hope that veteran cadres will continuously show their concern for all areas of work in the province and will continuously play important roles in building spiritual and material civilizations.

#### New Fujian Publication Rules Effective 1 Feb

HK3101060792 Fuzhou Fujian People's Radio  
Network in Mandarin 1100 GMT 22 Jan 92

[Text] The Fujian Provincial Rules and Regulations Governing the Publication of Books, Newspapers, and Journals, which were deliberated and adopted by the provincial People's Congress Standing Committee, will become effective 1 February. This morning, the provincial People's Congress Educational, Scientific, and Cultural Committee; the provincial party committee Propaganda Department; the provincial Press and Publication Bureau; and the provincial Justice Department jointly convened a forum on conscientiously implementing the Fujian Provincial Rules and Regulations Governing the Publication of Books and Journals. The symposium pointed out: Book and journal publishing and printing departments and units at all levels in our province must firmly establish the concept of keeping the stronghold, strengthen the development of systems, improve internal factors and external supervision and management mechanisms, strengthen their own political and professional quality, continually upgrade the quality of publications, and work hard to usher in a new situation in our province's press and publication undertakings. Participating delegates at the forum unanimously held that the experience of the Fujian Provincial Rules and Regulations Governing the Publication of Books, Newspapers, and Journals will enable our province's management of press and publications to embark on the track of a legal system, and that this will provide an important legal basis and protection for strengthening the management of the province's press publication and for the vigorous development of our province's press and publication undertaking.

#### Wu Bangguo Addresses Model Workers at Tea Party

OW3101091392 Shanghai People's Radio Network  
in Mandarin 2300 GMT 30 Jan 92

[From the "Morning News" program]

[Text] Over 200 municipal model workers and representatives of advanced collectives yesterday gathered joyously at the Yinhe Hotel to attend the 1992 Shanghai Municipal Tea Party for model workers in celebration of the Spring Festival. Attending the tea party were municipal party and government leaders Wu Bangguo, Huang Ju, Chen Zhili, Ni Hongfu, Chen Tiedi, Chen Guodong, Zhang Dinghong, Ye Gongqi, and Wu Zengliang; Zhang Qi, a veteran of Shanghai's worker movement; and responsible comrades from military troops deployed in Shanghai, the Shanghai Armed Police Corps, the municipal federation of trade unions, the municipal Communist Youth League committee, and the municipal women's federation.

Wu Bangguo, secretary of the Shanghai Municipal CPC Committee, delivered a warm speech at the party. On behalf of the municipal party committee and the municipal government, he extended advance New Year's greetings and best wishes to model workers, advanced individuals, and the masses of workers and staff members throughout the municipality.

Wu Bangguo said: During the new year, we should carry forward the party's basic line, keep to the central task of economic construction, expand reform, and open up wider to the outside world. These represent the aspirations of the general public. The 5 million workers and staff members in Shanghai should support and help the realization of these aspirations. We hope that model workers and advanced individuals will play an active leading role in this regard.

Wu Bangguo also said: To improve living standards, we should continue to build houses while working to develop the economy during the new year. As long as we continue to work hard, we can build Shanghai into a better place within the next few years or decade and thus expand its contributions to the state.

At the tea party, (Huang Qiangxiong), a municipal model worker from the No. 5 Municipal Construction Company; (Jin Mingfa), from (Zhangde Township), Songjiang County; (Wang Menglan), from the (Yixing) Steel Pipe Factory; and (Wang Fengya), from the Baoshan Iron and Steel Complex, shared their experiences with other guests.

#### **Huang Ju Remarks on Leasing Land in Urban Area**

*OW3001130592 Beijing XINHUA in English*  
*1251 GMT 30 Jan 92*

[Text] Shanghai, January 30 (XINHUA)—The Shanghai Haihua House Property Company Ltd has become the first company to secure the right to use a plot of urban land in Shanghai, the most populous city in China.

The plot covers 19,790 sq m of urban land and the land use right stretches up to 70 years.

The municipal government expects to speed up the renovation of old residential quarters in the aging

metropolis through the form of land leasing, Mayor Huang Ju said in a recent meeting.

The land is located in a densely populated area in the south of the city. The company obtained the land-use right on the condition that it takes over the task of resettling 1,000 households and 20 work units in the area and pays 1 million U.S. dollars.

The mayor said that Shanghai welcomes foreign companies to join the development of its residential areas and revamping of old living quarters.

#### **Discusses Housing Construction**

*OW3101034492 Beijing XINHUA Domestic Service*  
*in Chinese 1152 GMT 30 Jan 91*

[By reporter Ji Jincheng (1323 6651 2052)]

[Text] At a recent on-site meeting on housing construction, Shanghai Mayor Huang Ju noted that "the hope for and solution to accelerating housing construction in Shanghai lies in deepening reform and intensifying the effort to open up Shanghai to the outside world."

Mayor Huang Ju and responsible individuals of pertinent authorities inspected the construction site of the Kangjiang Small Zone, visited families with living space of less than 2.5 square meters [sq m] per person, and toured the Kesan Base, a project to renovate the old section of the city under onerous lease of the right to land use. After listening to the opinions and demands of residents with housing difficulties, Mayor Huang Ju said that if we can arouse and pool the enthusiasm of the government, collectives, and individuals together, our housing problems can be solved as soon as possible. Extending his regards to housing constructors, he asked them to spare no effort to quicken the pace of housing construction.

At the on-site meeting on housing construction attended by chief responsible individuals from various systems and localities in the city, Mayor Huang said: Substantial achievements were made in housing construction last year. We will have great difficulties quickening the pace of housing construction; however, there is hope, and the hope lies in accelerating the reform of the housing system.

Last year, following the tradition of previous governments, the Shanghai municipal government placed housing construction at the top of its priority list in urban construction. Under the reform of the housing system launched last year, the city quickened its pace to raise funds for housing construction, and a total of 4.68 million sq m of housing was built, up more than 10 percent from a year earlier; however, because of the outstanding accounts in housing construction accumulated over the past 31 years, substantive difficulties are still in the way of the effort to improve housing conditions for vast numbers of residents in the city. According to statistics, presently more than 20,000 families in the

city live in houses with less than 2.5 sq m of living space per person, and another 300,000 families live in houses with less than 4 sq m of living space per person. In addition, the city still has 15 million sq m of shanties, precarious houses, and crude cabins. To solve these residents' housing difficulties, the city needs to build 6 million sq m of houses each year and spend 60 to 70 billion yuan over the next 10 years. Unfortunately, the government, enterprises, and individuals have difficulty coming up with the money.

Mayor Huang Ju said: To accelerate housing construction in Shanghai, the hope and solution lie in deepening reform and intensifying the effort to open up Shanghai to the outside world. It is necessary to strengthen cooperation between higher and lower levels and between different sectors, with each making full use of its own advantageous conditions regarding housing construction. It is also necessary to arouse the enthusiasm of various localities, systems, residents, and the real estate development industry in the city to participate in renovating Shanghai's old section. Taking advantage of land resources in urban Shanghai, we should open the city wider to the outside world, attract more foreign capital, and welcome foreign businesses' participation in renovating the old section. Furthermore, we should open our city to other provinces and municipalities and attract funds from various parts of the country to be used in developing real estate and running businesses and stores. Under a uniform master plan, we may carry out comprehensive renovation of the old section by way of onerous leases of the right to land use. We need to seek new sources of funds for housing construction. The fundamental solution to the housing problem is to deepen the reform of the housing system, quicken the process of housing commercialization, and gradually create the conditions in which we may bring houses into the consumer goods market, thereby achieving a favorable mechanism for the input and output of housing funds.

#### **Shanghai Computer Industry Makes Progress**

OW3101101692 Beijing XINHUA in English  
0907 GMT 31 Jan 92

[Text] Shanghai, January 31 (XINHUA)—Shanghai, the leading industrial city in China, is growing to be a production center of computers, the Shanghai based WEN HUI BAO reported today.

The city turned out 7,773 sets of micro computers in 1991, 25.9 percent more than the previous year, according to the report.

Of the products, 1,611 sets were exported. This was the first year for the city to export computers. And the output is expected to have a jump this year because an assembling line with an annual capacity of 50,000 sets was just put into operation late last year.

The industry, led by the Yangtze Computer Corporation Group, has been developing fast in the past few years.

According to the paper, 43 percent of the employees of the Yangtze company are engineers and technicians. After five years of development, the company has produced seven major products, including micro computers, computer assisted designing and manufacturing systems, computer aided medical instruments and intelligent automation systems.

In addition a production line with a designed yearly output of 40,000 hard discs, the major data storage devices, is under busy construction.

#### **Shanghai Sets Up Joint Venture Car Parts Firm**

OW3101024992 Beijing XINHUA in English  
1550 GMT 30 Jan 92

[Text] Shanghai, January 30 (XINHUA)—The contract-signing ceremony for the establishment of the Shanghai Cosmopolitan Automobile Accessory Co. Ltd, a Shanghai-Hong Kong joint venture, was held here today.

The company has been set up to develop a new generation of electronic fuel-injection devices for "Santana" cars and other motor vehicles.

It will be jointly run by the Shanghai No. 1 Automobile Parts Factory and the Hainan International (Overseas) Investment Co. Ltd of Hong Kong, with a total investment of 29.9 million U.S. dollars and registered assets of 13 million U.S. dollars. The Hong Kong side put in 5.2 million U.S. dollars, 40 percent of the registered assets.

The new fuel-injection devices are expected to greatly reduce exhaust emission.

### **North Region**

#### **Wang Qun Visits Baotou Iron, Steel Complex**

SK3101051992 Hohhot Inner Mongolia People's  
Radio Network in Mandarin 1100 GMT 30 Jan 92

[Text] On the eve of the Spring Festival, Wang Qun, secretary of the autonomous regional party committee, led responsible persons of relevant departments to the city of steel on the grassland to extend festive greetings to the vast number of staff members, workers, and their family members in the Baotou Iron and Steel Complex, other large enterprises, and scientific research units. He encouraged the Baotou Iron and Steel Complex to go all out to accelerate reform and technical transformation and strive to improve its economic efficiency.

On 28 and 29 January, Wang Qun and other leading comrades visited blast furnaces and the workshops filled with the rumble of machines to shake hands with workers and wish them a happy Spring Festival.

On the evening of 29 January after hearing a work report of the Baotou Iron and Steel Complex, Wang Qun pointed out: The state attaches importance to the construction of the Baotou Iron and Steel Complex, and Premier Li Peng shows concern for its development. Last



year when the Baotou Iron and Steel Complex conducted an overhaul, it managed not to reduce income despite the reduction in production. Its fairly great economic growth exceeded people's expectation. Its staff members and workers have shown very high work enthusiasm since the beginning of this year. Its daily iron output was as high as 7,637 tons and steel output 7,474 tons, and it created all-time records in the output of 15 products. This proved that the Baotou Iron and Steel Complex had given close attention to the guidelines of the central and the regional work conferences and adopted effective measures to implement them. As has been proven by facts, only when party policies are combined with the enthusiasm of the masses can a great motivation be created. Our party members and cadres should [words indistinct] and set an example for the masses. Beginning January this year, leading cadres of the Baotou Iron and Steel Complex have enforced a system of coming to work half an hour earlier and leave half an hour later to make way for workers and avoid road congestion. This is a good work style worthy to be advocated.

Wang Qun said: Time is life and efficiency. The technical transformation of the Baotou Iron and Steel Complex should be carried out as quickly as possible. During the Eighth Five-Year Plan period, the Baotou Iron and Steel Complex should lay a solid foundation and enter the advanced rank of the top ten large iron and steel enterprises. With the attention of the central authorities and the support of the autonomous region and the local authorities, the Baotou Iron and Steel Complex has enjoyed improved external conditions. It should concentrate efforts on its own reform and management, especially the reform of the distribution and employment systems and the change of the work styles of its offices. Science and technology are the primary productive forces. The Baotou Iron and Steel Complex should attach importance to technology and trained personnel. It should award intellectuals with greater contributions. With a good foundation and good conditions, it should go all out to accelerate reform and technical transformation so that it can achieve greater progress and development.

During the visit to Baotou, Wang Qun also went to the Neimenggu [words indistinct] and the Baotou Rare Earth Institute to see the workers on the forefront of production and scientific and technical personnel.

#### **Inner Mongolian Economic Work Conference Held**

SK3001131292 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 29 Jan 92

[Text] In 1992, the region should further emancipate minds, increase the reform and opening-up content, accelerate the pace of reform and opening-up, and fight a tough battle in reform. This was demanded by the regional party committee and government at the regional economic work conference held at the beginning of this year.

The regional government demanded: In the course of further deepening the rural and pastoral reforms, we

should continue to focus work on strengthening the vitality of enterprises, large and medium-sized enterprises in particular, should delegate autonomy to enterprises in an all-round way, should make greater efforts to change the operation mechanism of enterprises, and should gradually push enterprises on the market system. To this end, we should accelerate the reform of circulation system and the construction pace of markets, should promote the reform of the social security system, and should improve the macroeconomic regulation and control. At the same time, we should continue to build rural and pastoral areas well, carry out experiments for comprehensive reform and various other reforms, and promote the economic structural reform in depth and quality. This year, in addition to winning the two tough battles of invigorating large and medium-sized enterprises and deepening rural and pastoral reforms, the region should win victory in the reforms of the housing system, social security system, and grain purchasing and marketing system.

The regional government also demanded that this year attention should be paid to doing 11 items of work well in line with the guidelines of further increasing the reform and opening content still wider to the outside world. It was learned that this year the region will make a new step in the reform of planning, investment, and pricing systems and the reform of commercial, supply and marketing sectors, will reduce the items subjected to mandatory planning, and will increase the items subjected to market regulation.

The regional authorities called on party and government leaders at all levels to further emancipate minds, to persist in the party's basic line known as one central task and two basic points, to pioneer the road of advance, to work in a creative manner, and to set off a new atmosphere of doing solid work.

#### **Inner Mongolia Opens Ten Trade Ports**

SK3101051792 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 30 Jan 92

[Text] Inner Mongolia achieved new progress in establishing trade outlets in the past year. By the end of 1991, it had opened 10 trade ports of the first category, of which two were railway ports, two were waterway ports, five were highways, and one was an airport, and three were of the second category. In this way, a pattern of multi-level ports opened to all directions and for various means of transportation has taken its initial shape, making Inner Mongolia one of the provinces and regions with many ports and providing basic conditions for the region's opening to the outside world and economic development.

#### **Northeast Region**

##### **Sun Weiben Reports to Provincial CPC Plenum**

SK3101024592 Harbin HEILONGJIANG RIBAO in Chinese 25 Dec 91 pp 1, 2

["Excerpts" of report by Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee, at the eighth

enlarged plenary session of the sixth Heilongjiang Provincial CPC Committee on 21 December; place not given]

[Text] The major tasks of this plenary session are to continue to enhance our understanding of the provincial situation in line with the guidelines of the eighth plenary session of the party Central Committee and, after summarizing the basic experiences in rural reform and construction in the 1980's, to further analyze our situation in line with the strategic objective of a fairly comfortable life to be attained by the end of this century and the objective demand for a planned commodity economy, and to decide on the general ideas for Heilongjiang's agriculture and rural work for the 1990's and its short-ranging specific work arrangements.

#### **1. Basic Experiences in Heilongjiang's Rural Reform and Construction in the 1980's**

Heilongjiang's rural situation has become increasingly better year after year since the third plenary session of the 11th party Central Committee. After the extraordinary bumper harvest last year, we again overcame the serious damage caused by floods to win the second largest harvest in our history. This manifested not only the tremendous efforts we devoted to our annual work but also the result of our progress accumulated in the past decade since rural reform started.

The course we have traversed for more than a decade was one where we continuously enhanced our understanding of and made progress in the practice of rural reform and also one where agriculture advanced wave after wave from recuperation to fairly rapid growth and from steady development to new breakthroughs. From 1979 to 1982, we implemented a series of recuperation policies, began to probe the production responsibility system that helped boost peasants' enthusiasm, conducted initial experiments on the adjustment of rural production structure, and achieved development in agriculture, something of a restoration after the 10-year calamity, although enforcement of the household-based output-related contract responsibility system was delayed for some time. From 1983 to 1984, the household-based, output-related contract responsibility system was enforced across the board to enable the vast number of peasants to become relatively independent producers and managers. This greatly boosted their production enthusiasm. The potential for agricultural production was tapped, grain output exceeded 15 billion kg and 17.5 billion kg, and the peasants' per-capita income also showed a substantial increase. From 1985 to 1989, we gradually improved the dual management system whereby unified management was combined with independent management on the basis that the household-based contract responsibility system was stabilized and improved and adjusted the policies for the purchase and marketing of farm products. As a result, nonagricultural production focusing on township enterprises developed by leaps and bounds while grain production was developed to a fairly high level and kept relatively stable and

the capacity for comprehensive production and economic efficiency of agriculture were further improved. In 1990 and 1991, grain output exceeded 20 billion kg continuously and other undertakings in rural areas also witnessed steady development thanks to the efforts to persist in and stabilize rural policies, to further strengthen the fundamental position of agriculture, to improve the socialized service system, to increase agricultural investment, and to initiate comprehensive agricultural development and the economic development of impoverished localities and, in particular, thanks to the large-scale implementation of group contracts, the bumper harvest plan, and other measures for developing agriculture through the application of science and technology. Compared with 1978, Heilongjiang's grain output grew by 56.5 percent in 1990 in terms of comparable standards, averaging an annual increase of 3.8 percent; agricultural output value by 1.8 times, averaging an annual increase of 5.1 percent; and the output value of township enterprises by 10.6 times, averaging an annual increase of 22.6 percent. Since 1984, in particular, we brought our grain output from 15 billion kg to the new stage of 20 billion kg in merely seven years (we took 17 years to achieve the previous two stages). The peasants' per-capita income also increased substantially and its ranking in the country rose notably.

During the 10-odd years of rural reforms and construction, we continued to probe the new situation in rural reforms and construction and to solve new problems, and accumulated many valuable experiences, of which the most profound understanding we gained was: We must firmly implement the party's basic policies in the rural areas and exert efforts to develop and improve the main bodies of agricultural production and management; pay attention to rationally readjusting the rural industrial structure on the basis of steadily raising the grain production capacity; actively promote scientific and technological progress and actively improve rural production conditions; manage things in line with the objective economic law and actively explore ways to combine the planned economy with market regulation; do a good job in supporting the poor areas and helping weak people and promoting common prosperity; persist in giving simultaneous consideration to economic development and social development and simultaneously grasping material and spiritual civilizations; strengthen the building of grass-roots party organizations and display the party's political advantages in the rural areas; and respect the successful practice of the grass roots and the masses and implement the method of giving typical examples, giving different guidance, and promoting the work in each and every area.

During the reforms and construction of the 1980's, we accumulated successful experiences and drew some lessons, which mainly showed that our ideology was not fully emancipated and the efforts to carry out work was not sufficient. We failed to have a wide trend of thought and to have many methods in solving the new problems emerging in the development of the rural commodity

economy during the new period at a proper time. Conscientiously summing up and drawing these positive and negative experiences, upholding and developing the successful ones, and improving the deficiencies will surely exert a positive influence on our future work.

## 2. The Basic Trend of Thought for Our Province's Rural Economic Development During 1990's

Through the efforts of the 1980's, our province's rural economy, generally speaking, has already basically ended the state of self-sufficiency and semiself-sufficiency and begun to enter a new stage of taking commodity production as the main body. The noticeable indications of this stage were: 1) the annual production level of grain attained the expected objective defined in the Eighth Five-Year Plan ahead of schedule and basically attained an overall stable production capacity of 20 billion kg. 2) The commodity rate of agricultural products reached more than 60 percent and, apart from continuously implementing the "double-track" system in grain, other farm and sideline products were basically sold at market prices; the flow of currency for peasants's livelihood and their production and consumption expenses accounted for 70 percent or more and the relationship between commodities and currency became the leading factor in the rural economy. 3) The relationship between the supply and demand of farm products had been changed from one of long-term shortage in the past to relatively relaxed, giving rise to the development of the buyers' markets. The relationship between the economic activities of peasants and their agricultural production activities, and the social demands and market reliance was strengthened remarkably. 4) The average per-capita net income of peasants was stabilized at 650 yuan or more in two successive years. Peasants became the main group for agricultural investment. The food and clothing problems of most peasants were basically solved. These changes not only showed that we have already realized the first-step strategic development objective proposed by the party Central Committee, but also created a fairly good environment and condition for smoothly carrying out the second-step strategic development objective.

The eighth party plenary session explicitly pointed out that by the end of this century the general objective of our country's agricultural and rural work is to "make the life of the broad masses of peasants shift from one of merely having enough food and clothing to one of being comparatively well-off on the basis of comprehensively developing the rural economy and gradually realize the objective of having a fairly rich material life and a fairly substantial spiritual life, improving housing, raising the health level, developing public welfare undertakings, and maintaining good public security." The objective of becoming comparatively well-off proposed by the party Central Committee has a rich and scientific connotation and manifests the basic socialist principle of simultaneous progress in the material and spiritual civilizations, coordinated economic and social development, and common prosperity of all peasants. This is not only a grand blueprint but also an arduous historical task.

Guiding the broad masses of peasants to strive for a better-off standard of living is the banner commanding the rural work during the new period. Only when we put the endeavor of striving for a better-off standard of living in the position of promoting the development of agriculture and rural work can we fully mobilize and unite the broad masses of peasants to accelerate the modernization of agriculture, can we effectively relieve the contradiction between the ever-increasing material and cultural demands of the Chinese people at the present stage and backward socialist production, and can we fully exploit and manifest the superiority of socialism. Moreover, only by doing so can we comprehensively and accurately implement the party's basic line known as the "one central task and the two basic points" in doing rural work, can we handle the relations between economic development and social progress in a scientific, orderly, and appropriate manner, can we raise the comprehensive production capacity and efficiency of agriculture to a new level, can we effect a new progress in rural reform and a new change in the outlook of rural society, and can we create a new situation in the agriculture and the rural work of the province.

Raising the people's living standards from just having enough to eat and wear to a state of leading a fairly comfortable life is a leap of historical significance. To meet this demand, we must further emancipate the mind, and resolutely readjust the idea and focal point of rural work. The rural economic work must be oriented to the orbit of readjusting the structure and improving efficiency; and the rural economic construction must be oriented to the scope of depending on scientific and technological progress and improving the quality of laborers. In developing the rural economy during the 1990's, we should follow the road of "four integrations," namely, integrating grain, animal husbandry, and enterprises; integrating trade, industry, and agriculture; integrating agriculture, science, and technology; and integrating urban and rural areas. At the same time, we should positively promote the development of county economies to accelerate the fulfillment of the strategic goal of making the people's living standards reach the better-off level, on the prerequisite of continuously persisting in and implementing the party's basic rural policies and firmly and unswervingly deepening rural reform, and in accordance with the guiding ideology of readjusting structure, improving efficiency, depending on science and technology, and invigorating agriculture. To ensure the smooth implementation of this guiding ideology and work idea, we must form a common understanding of several major issues in line with the new characteristics of the development of rural areas.

Stabilizing policies and grain production is the first prerequisite to fulfilling the goal of making the people's living standards reach the better-off level. In the process of reaching the better-off level, we must maintain the long-term stability of the party's basic policies, must constantly perfect the party's basic policies in line with the changes in the objective circumstances, must further



protect and mobilize the initiative of the broad masses of peasants in production, and must accelerate the sustained, steady, and coordinated development of the rural economy. Grain production is always important to both the province and the country. On no account should we neglect the factors hampering the steady increase of grain output, nor should we refrain from giving sober-minded consideration to the grim situation, just because of our anxiety about the practical problems of difficulties in selling, transferring, and storing grain. In fact, it is difficult to become rich rapidly by depending on grain production alone. However, so far as the overwhelming majority of the province's peasants are concerned, grain remains the major channel of production and the major source of income and the foundation for grain production remains very weak. Such a basic situation is hard to change within a short period of time. Only by constantly strengthening the agricultural infrastructure construction, gradually improving the agricultural production condition, and steadily raising the grain productivity of the land and the labor productivity can we truly lay a stable foundation for fulfilling the goal of making the people's living standards reach the better-off level. In sum, only by stabilizing policies can we stabilize public feeling; and only by stabilizing grain production can we stabilize the overall situation. These two kinds of stability are the basic principles we must adhere to for a long time.

Readjusting structure and raising economic efficiency are the basic ways for realizing the objective of becoming fairly well-off. Based on the estimate of our province's rural investigation team, by the year 2000, the net income line of our province's rural residents who attain the level of being fairly well-off should be 1,240 yuan (the constant price of 1990). This implies that during a period in the future the average per-capita net income of peasants across the province must be steadily increased at an average annual rate of 60 yuan or more. However, even when our province's grain production enters the stage of 25 billion kg by the end of this century, the average per-capita net income of peasants can only increase by 70 yuan or so based on the present basis. From this, we can see obviously that it is impossible to realize the fairly well-off income objective only by relying on the increase in the amount of grain production. If we fail to promptly set forth the demand of readjusting the production set-up after attaining a relatively high grain production level, it is impossible for us to greatly raise the rural economic efficiency, to realize the peasants' demand of becoming fairly well-off, and to guarantee the stable increase of grain production. Readjusting the rural production set-up is not only an internal demand of agricultural development but also an objective need of social progress.

The domestic and foreign economies show that the process of moving from merely enough food and clothing to fairly well-off is a period of drastic change in the structure of social needs and the production set-up which it stimulates. Only by adapting ourselves to this change,

positively promoting readjustment of rural production set-up and the organizational and technological structures, actively developing and bringing along local industries through the optimization of the rural production set-up, and unceasingly providing more and better farm products can we develop a new growing point for agricultural development. Under the commodity economic conditions, the readjustment of production set-up is a process of openness and development. The optimization of rural production set-up is not a natural result of passively adapting ourselves to the market, but the fruit of combining to the greatest extent the comparable advantages of local natural resources with the daily increasing material and cultural needs of society through the adverse thinking and scientific policymaking. The optimization is also a result of invigorating circulation, developing the market, creating demand, and guiding consumption. Our proposal of readjusting the structure is aimed at changing the commodity advantage of grain into a comprehensive economic advantage by increasing its value through processing and invigorating the circulation of goods on the premise of maintaining a steady increase in grain so as to meet the needs of the new situation, more consciously manage things in line with the objective law, comprehensively develop the rural economy and enable the broad masses of peasants become prosperous more quickly.

Relying on science and education to invigorate agriculture is a fundamental means for realizing the objective of becoming fairly well-off. Along with the development of the modern society, science and technology have become an increasingly extensive and direct productive force and an important source of economic growth. Scientific and technological progress has not only played a substitute role in effectively alleviating the restrictions which the scarce essential factors have imposed on economic growth but also played a role in producing more and better commodities with the same instillation of materials through the input of a invisible value. During recent years our province's application of new technologies in the vast rural areas, such as rice cultivation through the method of dry farming and thin planting, hybrid corn variety, systematic cultivation of crops, mechanized deep plowing and intensive sowing, plastic sheeting, transplanting of seedlings, raising fish in fish hatcheries, and the fattening of livestock fully proved the tremendous potential of science and technology. Scientific and technological progress is also a strong motivation for advancing the readjustment and optimization of the production set-up. In the course of readjusting the structures, only by persisting in making science and technology the most important can we scientifically support and guarantee the optimization of production set-up and product mix and coordinate the structure of supply with that of demand. In this connection, we must deepen our understanding of the profound connotation of a series of theses, including the Marxist theses that "scientific strength is the primary factor of the labor productive forces of society," and Comrade Deng Xiaoping's proposal that "science and technology are the primary

productive forces," and that "the agricultural problems must be finally solved with science and technology," and realistically attach primary importance to science and technology in our economic construction.

Deepening the rural reform and improving the operation mechanism are the important guarantees for attaining the objective of a fairly comfortable life. The process of leading the vast number of peasants to achieve affluence through diligent labor and march toward a fairly comfortable life is one of effecting a change in the old system and development pattern and organizing millions upon millions of peasants to participate in the socialized large-scale production. We can effectively resolve the difficulties arising in the process of development only when we have a firm grasp of the priority and general orientation of continuously stabilizing the responsibility system with household-based output-related contracts as the major form, continuously improving the dual management system whereby unified management is combined with independent management, actively developing the socialized service system, gradually expanding the collective economic strength, and leading peasants to the road of common prosperity and only when we continuously deepen the rural reform. In deepening reform, we will unavoidably encounter the conflict between the old and the new systems and affect the vested power and interests of some departments and groups. Therefore, we should have a strong sense of reform, have the courage to create the new, and brave the way forward. We should firmly support anything conducive to the development of the socialist commodity economy. We should persistently regard the difficulties in the development of the rural commodity economy as the focuses of the endeavor to deepen reform, enthusiastically support the creative spirit of the masses and grass-roots units, encourage them to conduct explorations, and allow them to make breakthroughs. We should adhere to the criterion of productive forces and the principle of experimentation in doing everything and have the ability to summarize and apply the successful experiences that prove effective. In line with the new situation of the socialist commodity economy, we should take the initiative in changing government functions, improve macroeconomic control and regulation, strengthen management and service, and make unremitting efforts to gradually establish and improve the economic system and operation mechanism conducive to the development of the rural socialist commodity economy so as to pave the way for agricultural productive forces to develop and for peasants to achieve affluence through diligent labor.

Facilitating the development of the county economy in line with the idea of "four integrations" is the key measure for attaining the objective of a fairly comfortable life. The county economy is at the basic level of the national economy. As more agricultural products are sold as commodities, the development of the rural economy is more and more restricted by relevant industries and the external environment. A steady upturn in

using agriculture to promote industry and commerce, using industry and commerce to enliven agriculture and accumulate financial resources, and using the financial resources to support and supplement agriculture, which is created through the coordinated development of the county economy, is the objective demand and inexorable trend of economic development and also the prerequisite to ensure the sustained and stable development of agriculture and the county economy. It will be very difficult to enliven the economy of the entire province if the county economy is not enlivened. We should continuously and resolutely implement the guiding principle of "making the grass-roots levels prosperous first before making the province prosperous" put forward by the provincial party committee and, under all circumstances, always start with the effort to enliven the county economy in developing the local economy.

The experiences of all localities showed that we totally have the conditions and possibilities to rapidly develop the county economy as long as we clarify the ideas for our work, take a correct development road, and make conscientious efforts to meet market demand, rely on our resources, and develop our advantages to supplement the weak points. The integration of grain production, animal husbandry, and township enterprise development, integration of foreign trade and industrial and agricultural production, and integration of urban and rural economies as urged at the seventh plenary session of the sixth provincial party committee and the integration of agriculture, science, and education as created by the grass-roots levels this year are an interrelated organic whole. The "integration of grain production, animal husbandry, and township enterprise development" means to greatly develop diverse production focusing on animal husbandry and accelerate the development of township enterprises on the premise that we never slacken efforts in grain production so as to optimize the rural production structure. The "integration of foreign trade and industrial and agricultural production" means to start with the effort to enliven circulation to promote the coordination of agriculture, industry, commerce, and foreign trade in line with market demand and gradually establish a smooth circulation of industries. The "integration of agriculture, science, and education" means to integrate economic development, scientific and technological development, and the development of intellectual resources, accelerate the application of advanced agrotechnology, comprehensively raise the scientific, technological, and educational levels of laborers, and expedite agricultural modernization. The "integration of urban and rural economies" means to facilitate the rational exchanges of the essential elements for production between urban and rural areas, enable urban and rural areas to mutually supplement each other with their respective advantages, and achieve simultaneous development of urban and rural economies. We should positively and steadily promote the "four integrations" in line with the categories and characteristics of the county economy, which have already been formed; persistently give different guidance based on different situations of



plain, mountain, border, and suburban economic regions; and through the methods of guidance with exemplary cases and promoting the work on regional basis, gradually set up a rationally distributed economic pattern in which each region has its own characteristics, each makes up for the other's deficiencies with its own advantages, each develops in coordination with others, urban areas are combined with rural areas, and both counties and the people are rich.

### 3. The Major Tasks Which Should Be Firmly Grasped in the Near Future

A. On the basis of stabilizing the household output-related contract system, we should perfect the dual management system characterized by unity and separation. Stabilizing and perfecting the land contract system is the core of stabilizing rural policies. Our work emphasis is still to stabilize the land contracting relations, to define the rights and duties of the both sides of contracts, to strengthen management of contracts, and to perfect various systems. In the situation that some localities experience serious uneven occupation of land due to the changes in population and labor force in recent years, we can carry out appropriate readjustment through the method of "changing the accounts but not the land contracts." About the problem that in some localities the contracted plots are so scattered that are uneasy to be managed, we can adopt the methods of unified planting and separated management, stretch-by-stretch planting, and crop rotation region by region. We can also exchange of plots with each other in line with the wishes and demands of the majority of peasants and in line with the principle of equal value to equal area of plots. We should attend to the work of developing and expanding collective economy from beginning to end. This winter and next spring, all localities should set up their village cooperative economic organizations, with a unified name of economic cooperatives, and the specific forms of the organizations can be decided in line with local conditions. We should gradually enhance the strength of collective economy through the methods of running well rural cooperative foundation, establishing the retention system in all fields, running green enterprises, and strengthening economic management. In developing collective economy, we should encourage each locality to exploit its own advantages and encourage each locality to follow its own way of becoming prosperous, instead of seeking uniformity in all localities. We should establish and perfect the agricultural socialized service system, with the township and village collective economy as the foundation, with the state economic and technological departments as the supporter, and with peasants' self-service as the supplement. Township and village collective economy should provide most peasant households with farm machines, improved seeds, plant protection, epidemic prevention, and purchasing and marketing services and should further popularize the successful experiences of cooperative services such as the

dual guarantee system, the mutual-aid farms, the stretch-by-stretch planting, tractor-plowing service teams, scientific and technological service rooms, and peasant specialized production associations. The several major stations of townships and towns should carry out reform in line with the purpose of "running entities around services and running entities well to promote services." Next year, each township and each town should run at least one to two agricultural service entities, which render services in line with the principle of guaranteeing the capital and gaining small earnings. In line with the demands of technology popularization, we should separately allocate a certain amount of such means of production as chemical fertilizers, pesticides, and agricultural plastic films to support agricultural technology popularization units to conduct comprehensive services. Supply and marketing, commercial, supplies, foreign trade, banking, scientific research, and educational departments should further improve their work in the fields of guiding ideology, management system, and managerial and service orientation in order to wholeheartedly provide peasants with pre-production, mid-production, and post-production services. Toward the service specialized households of various kinds and the service organizations run by peasants individually and cooperatively, we should give positive support to them, strengthen their management, and promote their development. All localities should do feasible work to truly manage peasants' burdens according to laws. We should resolutely control the total volume of peasants' burdens and check the arbitrary collection of financial levies, fines, and service charges. As for the service charges of which the peasants strongly complain, which are a huge amount, and which touch upon many fields, clearing-up and rectification should be carried out, and timely solutions should be found. The newly added burdens on peasants should be put under strict control.

B. We should take social demands and comparable interests as our guide to optimize the rural production structure. In line with the state macroeconomic demands and the province's grain production and marketing realities, the province should turn out more than 21 billion kg of grain in 1992. We should appropriately and in a timely way readjust the cropping structure and positively develop readily marketable high-yield, top-quality, and high-value products on the basis of increasing per unit area yield and guaranteeing the total production. Under the conditions for guaranteeing water resources, we should continue to expand the paddy rice growing areas. Under the premise of not violating the scientific crop rotation requirements, we should appropriately expand the soybean areas. In line with the principle of striking a balance between production and demand, we should first arrange the growing of sugar beets, flax, and cured tobacco. The localities where conditions permit should expand the melon, vegetable, fruit tree, and forage growing areas and reasonably arrange the areas sown with grain, cash crops, and forage crops. At the time of readjusting the agricultural production structure, we



should continuously put animal husbandry in a prominent position. We should grasp the current favorable chance to persistently integrate agriculture with animal husbandry and to pay equal attention to grain and livestock production. We should apply overall necessary techniques to develop the specialized management of proper scale, set up a coordinate service system, upgrade the quality of working personnel, and build, as soon as possible, animal husbandry into a pillar industry of the rural economy. During the Eighth Five-Year Plan period, we should strive to build the province into the milk cow production base with the largest scale and the highest commodity rate in China. It is necessary to accelerate the pace of developing town and township enterprises and to persistently pool the joint efforts of "four layers." We should concentrate on developing collective enterprises, industrial enterprises, and key enterprises. The localities temporarily without conditions for running industrial enterprises should vigorously promote the development of "green enterprises." In developing town and township enterprises, we should further stabilize and improve the operational mechanism characterized by self-management, self-responsibility for profits or losses, self-accumulation, and self-development. Enterprises should strengthen technological transformation, comprehensively carry out plans for developing new products, and optimize their product mix and production structure. It is necessary to speed up the pace of encouraging urban areas to support the rural areas and to work out, as soon as possible, the plan for establishing contacts and conducting cooperation between urban industrial enterprises and town and township industrial enterprises based on contracts. We should launch the campaign of encouraging urban areas to support rural areas, large enterprises to support small ones, and contracting for supporting town and township enterprises in an effort to expand the distribution of commodities. We should take border trade as a breakthrough point to guide township enterprises to develop the export-oriented economy. We should positively promote the development of various trades and the courtyard economy. Forestry is a key component of the large-scale agriculture. We should firmly foster the strategic concept of developing ecological agriculture, carry out the method of "bridging over forest crises to vitalize forestry," protect forest reserves, and comprehensively develop both agriculture and forestry. It is necessary to accelerate the development of fishery production. We should continue to develop the methods of raising fish in ponds and cages, to develop the breeding of various aquatics, and to breed good strains and expand paddy rice sown areas and fish breeding areas. Characterized by less investment, faster results, high efficiency, and easy management, the courtyard economy has become a key component of the provincial rural economy. There are great prospects for courtyards in the production of vegetables, fruits, edible fungi, crude drugs, and flowers and plants. We should make a greater breakthrough in this regard in the near future.

C. We should realistically rely on science and education to revitalize agriculture and integrate agriculture with science and education. Next year, we should focus on popularizing advanced practical techniques and upgrading the scientific and technological quality of the peasants, further carry out the "harvest plan" and the contract system of scientist and technician groups, educate the peasants with science and technology, deeply launch the campaign of popularizing science and technology in winter, and deeply and widely implement the principle of relying on science and technology to revitalize agriculture. Leading cadres at various levels should strengthen the awareness of science and technology, perfect the procedures for scientifically making policy decisions, and upgrade their abilities in scientifically making policy decisions and exercising scientific and technological management. We should strengthen the agricultural scientific research system and do a good job in the advance research on scientific research projects and the storage and transformation of research achievements. We should establish and improve the agricultural scientific and technological service networks that link higher and lower levels to coordinate experiment, demonstration, training, and application and persist in the rational combination and large-scale application of comprehensive technology to expand the coverage of advanced applicable technology. We should hold multi-level and multiform scientific and technological training programs focusing on the applicable technology application projects and gradually adopt the "green certificate" system to increase peasants' ability to master and apply scientific and technological achievements. We should conduct in-depth activities for farms and counties or cities to link with, help and learn from each other in developing agriculture through the application of science and technology and promotion of education. In the operation mechanism for developing agriculture through the application of science and technology and promotion of education, we should greatly facilitate the overall planning for agriculture, science and technology, and education next year, actively disseminate the experiences of Nehe, Longjiang, Huanan, and other cities and counties, and implement the overall planning system in the 10 pilot counties and 100 pilot towns and townships first. Other towns and townships should also designate two villages to try out the system.

D. We should promote the reform of the commodity circulation system to alleviate the difficulty in selling farm products. In view of the actual difficulty of peasants in selling grain after a bumper harvest, we should adopt every possible means to meet peasants' pressing need in line with the idea of "actively selling grain to other provinces, encouraging the transformation and intensive processing of grain, expanding exports, and encouraging various quarters to store grain." Zhaoyuan, Qingan, Zhaodong, and other cities and counties have already established wholesale markets for corns, rice, sorghum, and other grains and many major grain producing counties have organized special personnel to promote sales in other provinces and municipalities. We

should also use the available border trade channels to organize grain exports. Railway and transportation departments should make utmost efforts to support grain transportation. By developing animal husbandry and the processing industry, all localities should achieve success in the transformation of grain on the spot. We should also establish the special grain reserve system at all levels more quickly and encourage people to store grain. We should lose no time in decontrolling pig business. Decontrol does not mean to wash our hands of it. We should strengthen the work following the decontrol, organize the coordination of production and marketing, improve markets, pay attention to food quarantine, and improve the means of regulation and control. Regarding the subsidies for the pig business allocated every year, some will be used continuously as fixed-quota subsidies to support food companies to change production lines and others will be changed into regulatory funds, reserve funds, and animal husbandry development funds. In selling pigs to districts, counties, and cities, we may learn from the experiment of Muling County on integrating the production and marketing of pigs and the experiment of the Hegang city Food Company on integrating foreign trade and industrial and agricultural production. While fully developing the role of state commercial units, foreign trade departments, and supply and marketing cooperatives as the major channels of circulation, we should encourage and lead peasants to enter the field of circulation. We should cultivate the markets of various types focusing on specialized wholesale markets in a planned manner to establish a highly efficient and unified market system for flexible businesses that has complete networks and functions. We should further intensify the construction of the basic facilities for the processing, storage, transportation, and marketing of farm products. The work of integrating foreign trade and industrial and agricultural production should be carried out in a more down-to-earth and effective manner next year. The province should strengthen guidance to the integration of foreign trade with such staple farm and sideline products as sugar, tobacco, flax, milk, and poultry. All localities should conduct exploration to establish one or two systems for integration of foreign trade and industrial and agricultural production in line with their actual development levels so that unimpeded production and operation mechanism for sharing risks and interests together can be established.

E. We should improve the agricultural investment mechanism and achieve success in the farmland capital construction focusing on water conservancy projects. We should further improve the system for the state, the collective, and the peasant to make investment together and substantially increase agricultural investment. Agricultural investment made by financial departments next year should be the same as in the preceding year, efforts should be made to increase it, and the various agricultural special funds should be collected and used well. In the input of credit in the rural areas, we should further readjust the structure while maintaining an increase in the overall economic balance and gradually attain a level

corresponding to the rural production set-up. We should pay attention to displaying the guiding role of financial investment and organize and mobilize more funds from the social sector through various forms such as substituting investment with awards, giving discount-interest loans, and providing work instead of direct relief. We should do a better job in running the rural cooperative foundations, induce peasants to use their limited amount of funds more in developing production, and make up for the shortage of accumulation funds through the accumulation of labor forces. It is necessary to attach primary importance to the construction of farmland and water conservancy projects and implement the principle of "making water conservancy projects serve society and the society run water conservancy projects." During this winter and next spring, the whole province should fight a good battle to tackle the most difficult problems in the construction of farmland and water conservancy projects. The emphasis of the "Heilong-cup" emulation drive is to repair and reinforce dikes, restore and build new irrigation projects, grasp the building of supporting facilities in the waterlogged areas, accelerate the rate of improving water and soil eroded areas, and comprehensively fulfill the agricultural comprehensive development tasks. The emphasis of the "iron cattle-cup" emulation drive is to pay attention to updating farm machines and implements and supporting facilities while updating large tractors, and raise the standardized management level. It is necessary to actively combine farm machinery with agricultural technology, accelerate the building of the farm machinery service system, and fully display the efficiency of farm machines. The emphasis of the emulation drive of attaining the standard of improving the soil fertility of cultivated land is to further strengthen the building of infrastructure facilities for accumulating and making farm manure, the land cultivation funding system, and the development of the sources of organic fertilizers. We should pay attention to the actual results of these three emulation drives, unceasingly improve the inspection methods and the appraisal content and strictly check the tendency of giving excessive inspection, practicing formalism, and neglecting efficiency.

F. We should take the two major plains and poor areas as the priorities and accelerate the agricultural comprehensive development. On the basis of summing up experience and lessons, we should actively grasp the second-phase development of Sanjiang Plain and the first-phase development of Songnen Plain. The development of these two major plains should be aimed at raising the comprehensive agricultural production capacity, taking improvement of low-yield fields and expansion of paddy cultivation acreage as the priorities, displaying the potential of the existing cultivated lands, raising the per-unit area yield, appropriately reclaiming the land and expanding the cultivated areas, raising the utilization rate of natural resources, and promoting the overall development of agriculture, forestry, animal husbandry, sideline production, fisheries and other undertakings. We should further emancipate thinking and promote



development with the open policy. The mountainous and semimountainous areas should foster the ideology of the transplanting and interplanting of crops and conducting in-depth development and comprehensive development, conscientiously grasp afforestation in "barren hills and wastelands," and realistically translate the advantages of natural resources into economic advantages. It is necessary to adopt comprehensive measures in the policy, input, management, and service aspects, accelerate the building of commodity production bases in the reclamation areas, and turn the reclamation areas into a base for producing 5 billion kg of commodity grain and 500,000 milk producing cattle. Continued efforts should be made to develop poor areas. Leading cadres at all levels should grasp this work first, mobilize the enthusiasm of cadres and the masses, cultivate an opening-up work ideology, and carry out the basic work of eliminating poverty in villages. Next year we should continue to help poor households eliminate poverty, stabilize the income of poor households who have solved the problem of food and clothing and help them enter a new stage of economic development mainly aiming at eliminating poverty and becoming prosperous as quickly as possible. We should further promote the work of urging central cities to help the poor counties in their counterpart cities and provincial-level relevant departments to assume responsibility for the work, support the poor areas with science and technology, encourage scientific and technical workers and scientific and technological service entities to contract and to take charge of the projects of supporting the poor in poor townships and villages. While readjusting leading bodies at all levels, we should pay attention to selecting cadres from those who have made outstanding contributions to ending poverty and stopping subsidies. It is necessary to implement all stipulations on encouraging poor areas to end poverty and to stop taking subsidies carried in document No. 34 of the provincial government in 1991 and strive to help eight poor counties eliminate poverty and 50 percent of the 42 financially subsidized counties to stop taking subsidies by 1995. This year disasters in some cities and counties were very serious. We should make further arrangements for production and people's livelihood in disaster areas, actively conduct the campaign on providing for and helping oneself through production, make good preparations for next year's work, and guarantee that "all things will be restored within a year after a year of disasters."

G. We should actually attend to education on rural socialist ideology, with the "decision" of the eighth plenary session as the basic teaching materials. In line with the demands of the three major tasks and the six criteria for the rural socialist ideological education set forth by the eighth plenary session, we should deepen the rural socialist ideological education on the basis of summarizing the successful experiences gained at the preceding stage. The "decision" on further strengthening agriculture and rural work adopted by the eighth plenary session is the most profound and effective teaching material to conduct the socialist ideological education.

In conducting education on rural socialist ideology, we should regard the study and propaganda of the "decision" as the major contents, should guide cadres and the masses in rural areas to deepen their understanding of the party's basic rural policies, and should seek unity of thinking among them in making the people's living standards reach a better-off level. We should persistently combine ideological education with the endeavor of solving practical problems and should map out ways and measures to develop and expand the collective economy in order to achieve common prosperity. The practical problems of which the masses complain a great deal, such as financial management, cadres' workstyle, peasants' burdens, marketing of agricultural products, and public security, should be solved earnestly. In conducting socialist ideological education in rural areas, we should also strengthen the building of village-level organizations, with party branches as the nucleus. In building party branches, we should give prominence to selecting competent party branch secretaries, providing a good staff for leading bodies, and paying attention to their training. We should also pay attention to the work of training reserve cadres and developing party members from among peasants. At the same time, we should firmly grasp the building of such mass organizations as villagers' committees, village cooperative economic organizations, Communist Youth League branches, women's congresses, and militia organizations. In conducting the rural socialist ideology education, we must strengthen leadership, persist in reaching standards, ensure quality, strive for practical results, and avoid a perfunctory style of work.

H. We should simultaneously build material and spiritual civilizations, and promote the coordinated development of rural economy and society. The relatively rich spiritual life and the constant development of social undertakings constitute the important part of the better-off standards of living. All counties, townships, and villages should make unified plans for developing the economy and society in coordination and then implement the plans in a planned and step-by-step manner, with focus on major aspects. We should further strengthen leadership over the building of small cities and towns, actually solve villages' problems in house building, transportation, energy resources, and drinking water in order to improve the peasants' living and housing conditions. We should strive to improve the conditions for running schools, popularize the nine-year compulsory education step by step, and continue to strengthen the overall arrangements for basic education, vocational education, and adult education. This year, we should extricate 170,000 people from illiteracy. Therefore, we should speed up the building of cultural halls, reading rooms, and market town theaters; should consolidate the rural film projection teams; and should make more rural areas accessible by radio and television broadcasting in order to enliven the masses' spiritual and cultural lives. We should develop the rural medical and health undertakings and perfect the three-level health network with the purpose implementing the cooperative



medical system in 10 percent of the villages and continuously reducing the incidence of six endemic diseases. We should strengthen the building of basic sports facilities and extensively conduct mass sports activities. We should continue to focus birth control on rural areas, should encourage the practice of late marriage and late childbearing and the practice of bearing fewer children and bringing them up in a sound way, and should bring population growth under strict control. Next year, the province will witness another birth peak. We should resolutely control the rural birthrate below 17.9 per thousand and the natural population growth rate below 12.77 per thousand. We should actually strengthen education on socialist democracy and the legal system, should vigorously straighten out public security for rural areas in combination with the drive of the "second five-year" law popularization, should deal stern blows to all sorts of criminal offenses, should conscientiously implement all prevention measures, and should tackle public security problems in a comprehensive manner in order to create a stable social environment. While promoting the coordinated development of rural economy and society, we should not only overcome the tendency of laying undue emphasis on economic development to the neglect of social development but also avoid the tendency of being impatient for success beyond the actual level of economic development. The construction of cultural and sports facilities in rural areas and the running of social undertakings of all kinds must be carried out in line with the degree of prosperity and demands of the masses and in line with the wishes of the masses so that we can truly achieve success in this regard.

#### 4. We Should Strengthen and Improve Leadership Over the Rural Work and Firmly Implement All Sorts of Work

A. We should continue to implement the agricultural foundation status and promote the creation of a new situation in which the whole party pays attention to agriculture and the whole society supports agriculture. Along with the comprehensive development of the national economy, the significance of agriculture in the national economy has relatively lessened, which will easily lead to the ideology of neglecting agriculture; the bumper grain harvests over several successive years will make us unrealistically optimistic; the phenomenon of having difficulties in selling grain which has seriously puzzled us will easily make us engender the mentality of reducing output and eliminating burdens; most peasants have solved the problem of food and clothing, and this will create the phenomenon of all directions asking for help from peasants. We must watch out for these phenomenon and purposefully solve them in good time. After ending the situation of self-sufficiency and half self-sufficiency in the rural economy and entering a new stage of making the commodity economy predominant, our province will not mainly rely on manual labor as a means to increase agricultural production, but will rely more on intelligence. This indicates that the relations between science, technology, and education have been strengthened; the agricultural production and operational activities will no longer be limited to the relatively

closed activities between rural areas and will inevitably become more open, pooling the efforts of both the urban and rural areas. This shows that agriculture has strengthened relations with the urban economy. In developing the rural commodity economy, we have to rely on the input of a large amount of materials and funds, serve the market, and organize the circulation of goods. This also indicates that agriculture has strengthened relations with various departments and trades in society such as the banking, material, commercial, and industrial departments. In short, the socialization of commodity production requires the participation and support of social sectors. As far as all trades and professions are concerned, supporting agriculture is not only an obligation but also an undertaking related to our interests, honor, and disgrace. Therefore, we must adapt ourselves to the new situation in the development of the rural commodity economy, firmly cultivate an ideology that "agricultural development will bring along our development and we will rise or decline along with agriculture," and further develop the coordinated development of the rural commodity economy.

To create a coordinated situation, first we must strengthen leadership. Party committees and governments at all levels should always place agriculture and rural work on their agenda, grasp it as a major affair, hold discussions at a regular intervals, and realistically solve the major problems. The prefectural and city party committees should exert their main energy to grasp agriculture. All district, city, and county party committees should assign deputy secretaries to take charge of agriculture. Leading bodies at all levels and the various major bodies should pay attention to and study agricultural problems and promote the unceasing development of rural work. It is necessary to keep the county and township leading bodies relatively stable and continue to persist in selecting outstanding young and middle-age cadres from party and government organs at all levels to work in and be trained at the grass roots. Second, we should improve relations in various sectors and further strengthen the comprehensive functions of agricultural departments. The provincial agricultural committee is not only a functional department of the provincial government but also a rural work committee of the provincial party committee, having the same number of personnel working under two different departments and taking charge of our province's overall rural work. Areas where the system of making cities administer counties are practiced should strengthen city-level rural work leading organs and give them relative powers to participate in formulating rural plans and distributing agricultural funds and materials. County-level agricultural committees should step up their efforts to appoint and replenish their organs. It is necessary to solicit the opinions of the agricultural committees of the corresponding level in the appointment of cadres to agricultural departments at all levels. Third, we should coordinate our action. Various departments of the party committees and governments should care for and understand agriculture, and be familiar with the strategic

agricultural development ideology and the priorities of each stage of work. In party building, we should realistically implement the guiding ideology of "grasping party building in line with the central task and making party building promote the central task." The organization departments of party committees should give priority to grasping the selection and appointment of leaders at the county and township levels and the building of rural grass-roots party organizations. Regarding the improvement of the leading bodies of impoverished counties, in particular, we should adhere to high standards, truly select the most outstanding cadres, and keep the leading bodies relatively stable. Propaganda departments should persist in the propaganda keynote of unity, stability, encouragement, and truth seeking and make the work to raise the ideological and cultural levels in rural areas and to publicize the current situation more capable of solving problems, more realistic, and more effective. Discipline inspection departments should conscientiously inspect discipline breaches that damage the peasants' interests and pay attention to protecting the enthusiasm of rural grass-roots cadres. Government departments should all coordinate the requirements of their work with the requirements for making the grass-roots levels satisfied, quicken their work pace, raise their work efficiency, and carry out practical work wholeheartedly for rural areas and peasants. All trades and professions should study and formulate the plans and measures for supporting agriculture in line with the characteristics of their respective work and provide effective services to rural areas and peasants. In doing the work involving rural areas, we should fully respect the work procedures of county and township party committees and governments, consider things from the angle of grass-roots cadres, give them more happy news instead of misgivings, give instead of taking, and show more consideration instead of finding fault with them.

B. We should face up to difficulties, raise spirits, and make more efforts to strengthen middle-level regulation and control and solve problems with more initiative. At present, we have three very conspicuous problems—difficulty in selling grain, lack of funds for the purchase of farm products, and too heavy a burden on peasants. Peasants have many complaints about these problems and leading persons feel uneasy even when eating and sleeping because of them. The provincial party committee and government fully understand the situation of peasants and the difficulties of grass-roots cadres. A realistic analysis showed that most of these difficulties and contradictions are the phenomena emerging in certain periods in the process of changing systems. Fundamental resolutions of these contradictions depend on further deepening of rural reform. Specific analysis showed that some problems depend on the improvement of the state's overall policy environment, others are restricted by the overall policy environment but can be alleviated through our conscientious efforts, and still others are problems resulting from our own work. Whatever the problems are and no matter whether they result from internal or external reasons, it is very harmful if we

feel that we have no alternative, wait passively, and blame everyone and everything but ourselves. The only correct attitude is for us to embrace the ideas of sharing responsibilities and risks together and braving the way forward and to regard further emancipating our minds, broadening our thinking, and working in a creative manner as the starting point for solving the problems.

The endeavor to work in a creative manner should be focused on the middle level. In the current system for policymaking, departments and bureaus directly under the province and prefectures, cities, and counties are in the middle of the state which makes overall policies and the lower levels which make more specific policies. The current situation is that we have no authority to take charge of things concerned with the overall interests and cannot or cannot successfully handle some very specific things. To strengthen middle-level regulation and control means that we should focus on the problems that we are capable of solving, solve the problems of disconnection and buck-passing between higher and lower levels arising in the process of implementing the policies from higher levels, and have the ability to successfully apply higher-level policies to our own localities and departments in a creative manner.

In strengthening the middle-level regulation and control and actively solving problems, the basic ideas are: striving for support from higher levels, delegating powers to lower levels, tapping the potential of the masses, and breaking with difficulties. By striving for support from higher levels, we mean being responsible for both higher and lower levels, reporting both good and bad news to higher levels, and refusing to present a false picture of peace and prosperity in order to strive for better policies on the overall economy and strive for support from the state. By delegating powers to lower levels, we mean actually changing the phenomenon of giving powers to trades, profits to individuals, and contradictions to government, continuously delegating powers to counties and townships, and further strengthening the functions and the economic regulation and control of county and township governments. County-level organs should be entrusted with the powers which are essential to making overall planning for economic development and harmonizing the relations between different departments. County departments' organs set up in townships and towns should be generally subjected to management by townships and towns. However, for a small number of the organs which are unsuitable to be managed by townships and towns, dual leadership should be carried out. In the organs subjected to dual leadership, the transfer, appointment and removal, and awards and punishment of cadres should be agreed on by party committees of townships and towns. Once the functions and powers of counties and townships are defined, counties and townships must be supported to exercise their functions and powers independently. All the affairs within the scope of the functions and powers of the grass-roots level which do not infringe upon the overall interests should not be presumptuously interfered with

by pertinent departments at higher levels. By tapping the potential of the masses, we mean emancipating the mind of the masses, broadening the thinking of the masses, and depending on the masses and pooling their wisdom and strength to solve problems. At present, with regard to the work in rural areas, such as developing markets, readjusting structure, streamlining the Army and administrative procedures, changing government functions, and strengthening financial management, some have not yet been carried out, and some have just begun. Therefore, there are great potentials to be tapped. By persistently combining reform with development, we should be bold in making explorations and positive in creating new ideas. By breaking with difficulties, we mean concentrating energies on solving the conspicuous contradictions emerging at the new stage of the rural commodity economic development. To solve the problem where peasants find it difficult to sell grain, we should pay attention to the development of grain wholesale markets and to the export, processing, intensive processing, and storage of grain, in the course of deepening the reform of the agricultural product circulation system. Concerning the problem of agricultural product purchasing funds not being ensured, government and banking departments should regard the arrival rate of funds as a firm target for assessing work. Government and banking departments should not only organize forces to raise funds, but also dredge the fund allocating channels and links to prevent the funds from being diverted to and being tied up by other uses. Moreover, such departments should strictly enforce credit discipline to strictly forbid the case of using loans to seek personal gains. The excessively heavy burdens on peasants should be cleared up beginning at the source and should be solved item by item, based on the actual conditions of grass-roots areas.

C. We should strengthen the dynamics of our endeavor to implement various work, beginning with solving the problems of the leading level. In the past a major reason why some of our work was not in agreement with the people's wishes was that we did not do enough in implementation. To solving this problem, the key lies in leadership. An examination of the leading level shows that the major problems preventing implementation of the work are: The policy decisions of higher levels cannot be assigned to lower levels in a timely manner, thus making the work lack continuity and stability. The relations between different departments are not harmonious and the environment for implementing work is not good, thus obstructing implementation of work. The excessive meetings and documents and the numerous examinations and appraisals place overly heavy burdens on leaders at the grass-roots level and they are tired by too much running around, thus forming a situation in which the implementation of work is hot at higher levels but cool at lower levels. In addition, sometimes there are work assignments but not inspections and strict restrictions, thus failing to give cadres the mental pressure of having to implement work. We should understand and

solve these problems to promote the fulfillment of various work. First, we should enhance the sense of carrying work through to the end until success is achieved. Leading persons in charge of a locality or a front can accomplish something only when they quietly immerse themselves in hard work. Therefore, they should carry their work through to the end once it is decided until practical results are achieved. Second, we should persist in integrating theory with practice, conduct investigations and study, and encourage leading cadres to direct production and guide work on the forefront. Leading persons at all levels should concentrate their efforts on discovering new situations, summarizing new experiences, and resolving new contradictions. Principal party and government leaders should have the ability to make breakthroughs. Third, we should have the ability to guide work through typical examples. It is of course important to learn from the advanced experiences of other localities, but it is more important to cultivate, summarize, learn from, and publicize the typical examples emerging around us, which we can see and learn from easily and which can yield quicker results. All localities should cultivate a number of good examples that can pass tests. We should exert continuous efforts to make experimental rural reform zones successful, use the work of pilot zones to lead the work in large areas, and accomplish the work in various fields amid the steady mutual promotion of the work of pilot zones and that of other large areas. Fourth, we should exert conscientious efforts to strengthen the coordination of rural work and provide a relaxed environment for its fulfillment. Imbalance in the relations between different regions, departments, and trades is an important factor affecting the fulfillment of work. We should solve this problem with great effort. All departments should take the overall situation into account and proceed from the public interests in considering and designing their own work and standardizing their behavior. Party committees should intensify efforts to improve the coordination between different departments and different regions, and governments should intensify efforts to improve the coordination between government departments and various trades. Regarding some major issues, such as improvement of the socialized service system for agriculture, the circulation of farm products, and the unified planning for agriculture, science, and education, the province as well as various prefectures, cities, and counties should establish the coordinating systems that fully reflect the authority of governments and solve problems in a timely manner. Fifth, we should establish and improve the restricting mechanisms that ensure the fulfillment of work and make it a system to attend to the fulfillment of work. We should improve the personal responsibility system under collective leadership and implement the system of management by objective. Based on the laws and characteristics of economic work, we should advocate the organization and leadership method in which leaders of the several major leading bodies divide up the work and take charge of "special lines." Organization departments should conduct study to work out scientific criteria for the evaluation of



county-level cadres, establish the correct system of selecting personnel based on their performance, and encourage cadres to benefit the localities in their charge during their term of office. We should establish the work procedures of formulating policies, organizing their implementation, following their tracks to check efficiency, and conduct inspections of and give guidance to work to make it a system to attend to the fulfillment of work.

Comrades, we should hold high the banner of leading the masses in marching toward a fairly comfortable life and carry out rural work in a down-to-earth manner in the 1990's. At present, we are faced with many conspicuous difficulties and contradictions in both agriculture and industry. We should raise spirits, enhance confidence, emancipate the mind, advance in spite of difficulties, firmly unite and rely on the people throughout the province, open up new situations in the various fields of work, and usher in the convocation of the 14th party congress with practical deeds.

#### **Heihe Border Trade More Than Doubles in 1991**

SK3001131192 Harbin HEILONGJIANG RIBAO  
in Chinese 30 Dec 91 p 1

[Text] Heihe's border trade has entered a new stage. The total import and export volume of barter trade in 1991 topped 200 million Swiss francs, which was 2.3 times that of the previous year, ranking first in the whole province. It built 10 joint enterprises inside and outside the prefecture, and developed nongovernmental visits and trade between the peoples of both sides, with the number of visitors reaching more than 64,000 people, an increase of 85 percent over the previous year.

In 1991, Heihe Prefecture signed barter trade contracts worth 1.4 billion Swiss francs with the Soviet side, exported more than 800 varieties of products of 18 categories, and imported more than 80 varieties of products of nine categories. Freight delivery on an icy river and by means of waterway during the year topped 200,000 tons, and the trade partners increased by nearly 100 percent over the previous year, reaching some 300 in number.

Among the jointly run enterprises in Heihe Prefecture this year, four were on the Soviet side, with the joint investment reaching more than 400 Swiss francs, which was equivalent to more than 15 million yuan in Renminbi; six were on the Chinese side, with a joint investment reaching more than 25.3 million Swiss francs, equaling nearly 100 million Swiss francs. Most of these enterprises were foodstuff and building material processing industries, and the products were basically marketed on the Soviet side. The "three forms of processing and compensation trade" items also increased 100 percent over the previous year, and the export of labor service involved 1,103 people, which was one-third more than the previous year.

New progress was made in tourist cooperation between Heihe and Blagoveshchensk. In 1991, both sides exchanged "1,616 one-day tour" groups. In addition, the number of people participating in the "two-day tours", "seven-day tours," and "convalescence tours" increased respectively more than 10 times. More than 50 "spot exchange" tourist groups were conducted, totaling more than 1,300 people. Both sides also opened shopping centers for tourists in Daheihedao and the Soviet side. After conducting business for 108 days, the shopping centers in Daheihedao created a total business transaction of more than 6 million yuan in Renminbi, and the net income from management, entrance tickets, and rental fees for booths totaled 1.5 million yuan.

#### **Northwest Region**

##### **Qinghai's Industrial Production Increased in 1991**

HK3101080092 Xining Qinghai People's Radio  
Network in Mandarin 2300 GMT 23 Jan 92

[Excerpt] In 1991, industrial production in our province maintained a momentum of sustained and stable development. According to statistics, total industrial production in the province reached 5.95 billion yuan last year, a 5.3 percent increase over 1990. Production by state-owned medium-sized and large enterprises accounted for 55.4 percent of the total, an increase of 6.9 percent over 1990.

Last year, the main characteristics of industrial production in our province were that new progress was made in the readjustment of product mix and the status of basic industries was obviously strengthened. It was learned that of the 71 types of industrial products covered by the statistics, production of 39 types increased by a bigger margin over 1990. Most of them were energy products, and raw and processed materials. The production of some unsellable products was controlled due to efforts to restrict production and reduce stocks. The production of some of these products has been suspended. Last year the pace of technical transformation and development of new products in our province was speeded up. Investment in technical transformation increased by 11.1 percent over 1990, whereas investment in the development of new products grew by 70.6 percent. [passage omitted]

##### **Zhang Boxing Conveys Festival Greetings to Armymen**

HK3101080192 Xian Shaanxi People's Radio  
Network in Mandarin 0030 GMT 23 Jan 92

[Excerpt] Yesterday, the provincial CPC Committee, the provincial government, and the Xian CPC Committee and government formed groups to convey spring festival greetings to Army units and the vast numbers of officers and men of those units stationed in Xian, Lintong, Baoji.

At about 0800 yesterday, provincial and Xian City leaders Zhang Boxing, Cui Lintao, (Fu Jide), Zhang Jingwen, (Kong Dexun), and others gathered at the provincial military district. On behalf of the provincial CPC Committee and provincial government, Zhang

Boxing presented gifts to the provincial military district and spoke. He said: Over the past year, all officers and men of the provincial military district have extensively carried out the activities of supporting the Army and cherishing the people on the basis of satisfactorily fulfilling their own tasks. This has further developed new Army-government and Army-civilian relations characterized by sharing weal and woe together. Leading organs of the provincial Military

District organized and coordinated the work of sending servicemen to participate in the drive to build two civilizations by the Army and the people, dealing with emergencies, and providing disaster relief, and take part in more than 60 key construction projects. They played their role of serving as a bridge or link well. They also made an important contribution to political stability and economic development throughout the province. [passage omitted]

**Government To Set Up Consulate General in Latvia**

OW3101082192 Taipei CNA in English 0752 GMT  
31 Jan 92

[Text] Taipei, Jan. 31 (CNA)—The Republic of China [ROC] will establish a consulate general in Latvia, a Foreign Ministry spokesman announced Thursday.

"The office will enjoy an official status," explained Ouyang Jui-hsiung, director of the ministry's Department of Information and Cultural Affairs.

Ouyang reported that the ministry has received a telegraphed copy of a joint statement issued in Riga on Jan. 29 by Vice Foreign Minister John Chang and Latvian Foreign Minister Janis Jurkans on behalf of the two governments.

Quoting the joint statement, Ouyang said Taipei and Riga will establish "consular-level" relations and will set up consulates general in each other's territories.

The soon-to-be-opened ROC consulate general in Latvia will handle commerce and consular affairs, Ouyang noted. "Its duties will include issuing and extending ROC visas and passports and dealing with overseas Chinese affairs," he added.

As Latvia maintains full diplomatic ties with Mainland China, diplomatic observers here are interested in Peking's [Beijing] reaction to the new Taipei-Riga relationship.

Ouyang said it is still too early to predict whether or not Mainland China will sever its relations with the Baltic republic.

Despite its "official" nature, Ouyang said, the relationship between Taipei and Riga will not be a formal diplomatic one.

Ouyang stressed that the ROC will always be pragmatic and realistic in developing relations with other countries. "We hope our diplomatic efforts will not be hindered by any 'irrelevant' factors," he added.

Ouyang said Vice Foreign Minister Chang will make public the results of his 10-day visit to major former Soviet republics when he returns.

Chang, accompanied by several other Foreign Ministry officials, is scheduled to return to Taipei Friday afternoon after whirlwind visits to Ukraine, Russia and Latvia.

**South African Relations on 'Solid Ground'**

OW3101085292 Taipei CNA in English 0800 GMT  
31 Jan 92

[Text] Taipei, Jan. 31 (CNA)—Relations between the Republic of China and South Africa are on solid ground and will become even closer in the years ahead, a ranking Foreign Ministry official said Thursday.

"The visit to Taipei by South African President F.W. De Klerk last November has further boosted bilateral relations and cooperation," noted Tu Ling, director of the ministry's Department of African Affairs.

During his stay here, Tu said, President De Klerk reaffirmed his country's commitment to Taiwan. "De Klerk had assured us that his government's China policy will remain unchanged as long as he is in office," Tu recalled.

Quoting a cabinet report to the Legislative Yuan, Tu said that Sino-South African relations have been strengthened through frequent exchanges of visits by high-ranking officials from the two countries.

Two-way trade between Taiwan and South Africa has grown steadily in recent years and bilateral economic and technological cooperation has also increased, Tu reported.

ROC [Republic of China]-South African trade reached two billion U.S. dollars in 1991, 10 times the trade volume between South Africa and mainland China, Tu said. As Taiwan and South African economies complement each other, Tu said bilateral commercial exchanges will grow further in the years to come.

Tu revealed that the ROC will help South Africa develop its agriculture. Taipei will offer loans for the South African government to help black people in that country establish small farms and husbandry ranches. The ROC will also help South Africa set up a vegetable research center.

Tu pointed out that although Pretoria and Peking have set up representative offices in each other's territories, such offices are of private nature and are not entitled to issue visas.

A careful assessment made by the ministry in 1990 showed that Sino-South African relations will not change "at least" until 1994.

"We still have confidence in our early assessment, particularly after president De Klerk's visit here," Tu remarked.

The tenure of the current South African president and parliament will expire in 1994.

South Africa's international image has improved greatly over the past year as the country has abandoned its apartheid policy and is actively promoting political reforms. Tu said the government is closely watching developments in South Africa, particularly its foreign policy.

The ROC is also seeking to expand contacts with various political parties, including black groups, in South Africa in order to further cement bilateral relations, Tu added.



**Bulgaria Granted Preferential Tariff Treatment**

OW3101095392 Taipei CNA in English 0806 GMT  
31 Jan 92

[Text] Taipei, Jan. 31 (CNA)—Bulgarian goods can enter the Taiwan market under preferential tariff treatment from now on.

The Executive Yuan Thursday approved the Finance Ministry's proposal to make Bulgaria eligible for preferential tariff rates under the second column of the customs schedule on a reciprocal basis.

The approval increased to 140 the number of countries and areas eligible for the preferential tariff treatment.

**Foreign Ministry Lists Foreign Envoy Visits**

OW3101085692 Taipei CNA in English 0804 GMT  
31 Jan 92

[Text] Taipei, Jan. 31 (CNA)—Cardinal Pio Laghi, education minister of the Holy See, arrived in Taipei Thursday for a weeklong visit, the Ministry of Foreign Affairs (MOFA) said.

Laghi is here to attend the inauguration ceremony for the President of Fu Jen Catholic University in Taipei.

The cardinal will also meet with Foreign Minister Fredrick Chien, an old acquaintance, during his stay here.

Meanwhile, the MOFA announced that former French President Valery Giscard d'Estaing will visit Taipei in May at the invitation of a private business group.

The MOFA also said Didier Lombard, director-general of the Bureau of Industry of France, will come to Taipei in March to promote cooperation in industrial technology between the two countries.

President Andre Kolingba of the Republic of Central Africa will also visit the Republic of China sometime this year at a date yet to be decided.

Central Africa resumed formal ties with the Republic of China last July.

A trade mission, jointly organized by MOFA and private companies, is scheduled to leave for Central Africa March 14 to seek trade opportunities and strengthen bilateral ties.

**Yang Shih-chien Named Vice Economics Minister**

OW3101093392 Taipei CNA in English 0808 GMT  
31 Jan 92

[Text] Taipei, Jan. 31 (CNA)—Yang Shih-chien, director of the Industrial Development Bureau, was appointed Vice Economics Minister Thursday by the executive Yuan.

Yang, 48, won his doctoral degree in electrical engineering from the Northwest University in the United States.

**Ceiling on Stock Price Fluctuations Increased**

OW3101100692 Taipei CNA in English 0816 GMT  
31 Jan 92

[Text] Taipei, Jan. 31 (CNA)—The Ministry of Finance has tentatively decided to raise the ceiling on daily price fluctuations in the local stock exchange to 10 percent from the current 7 percent, Finance Minister Wang Chien-hsien reported Thursday.

Wang, a Kuomintang [KMT] member, told a KMT Central Standing Committee meeting that the Finance Ministry, after careful study, has decided to ease control over stock price fluctuations in line with the government's financial liberalization policy.

But, Wang said, the ministry has not yet decided on when the 10 percent fluctuation ceiling will be implemented. "We'll further review of the market situation before putting the new ceiling into effect," the minister added.

Finance officials said hikes in the price fluctuation ceiling are neither "favorable" nor "unfavorable" news to the stock market. Nevertheless, they anticipate that stock investors will pay even closer attention to developments in the local bourse after the price fluctuation ceiling is raised.

Meanwhile, the Central Bank of China (CBC) held a board meeting Thursday to review recent developments in local capital markets.

The meeting, held once every three months, was chaired by CBC Governor Samuel Shieh. Finance Minister Wang Chien-hsien, Chairman Yu Yu-hsien of the Council of Agriculture and several other ranking officials also attended the meeting.

During the meeting, many officials expressed their concern over a recent rally in the local bourse. With the domestic economy improving and the money supply swelling, the officials worried that speculative money games might be reviving here.

The officials urged the central bank to tighten control over the money supply in order to curb inflation and speculation in local capital markets.

Deputy CBC Governor Yu Cheng told the meeting that the central bank has done a good job in simultaneously stabilizing interest rates and the NT dollar's exchange rates over the past few years while major world financial markets have undergone dramatic changes.

The central bank will continue to its discreet monetary policy in order to ensure "growth with stability" in the local economy, Yu pledged.

The Ministry of Economic Affairs said it will probe whether local companies have illegally used their funds to engage in stock speculation or to play other money games.

A ranking official said rampant speculative money games are not likely to resurge in Taiwan in the near future. For one thing, he said, many people suffered enormous financial losses three years ago when a money game mania swept Taiwan.

As credit in major world financial markets is very tight, the official said, it is not likely that huge sums of "hot money" will flow into Taiwan to fuel speculation in the local course or foreign exchange market.

**Population Policy To Maintain 'Reasonable Growth'**

*OW3101095192 Taipei CNA in English 0819 GMT  
31 Jan 92*

[Text] Taipei, Jan. 31 (CNA)—The Executive Yuan said in a report to the Legislative Yuan that the government's current policy is to maintain a reasonable growth of population and to improve population quality.

In the report on government operations during the first half of fiscal 1992 ending June 30, the Executive Yuan said that in the next three to four decades the population of the Republic of China [ROC] will decrease and the number of senior citizens will increase significantly.

In anticipation of this change, the government plans to take new measures to improve the welfare of senior citizens and to balance the distribution of population in the country.

The Executive Yuan said the population of the Republic of China totaled 20,536,233 at the end of 1991, or 570 persons per square kilometer. The population density is the second highest in the world.

The administrative report was submitted to the Legislative Yuan Thursday.

## Hong Kong

### Deng's Visits to SEZ's Boost Local Confidence

HK3101025692 Hong Kong SOUTH CHINA  
MORNING POST in English 31 Jan 92 p D-4

[By Terry Cheng]

[Text] Paramount leader Deng Xiaoping's current visit to Shenzhen and Zhuhai Special Economic Zones (SEZs), bordering Hong Kong and Macao respectively, is generally considered a confidence booster for the two territories.

By re-affirming the market-oriented policies of the SEZs and reiterating calls for building "several Hong Kongs" on the mainland, Mr Deng has sent a clear signal that the capitalist Hong Kong and Macao would be accepted more fully by China after their return to the fold by the end of this century.

In Shenzhen, the elderly statesman urged local officials to turn the Pearl River delta, one of most prosperous areas of China, into the fifth "small dragon" of the Asia-Pacific region after Singapore, South Korea, Taiwan and Hong Kong.

According to Chinese analysts, Mr Deng is determined to build up sound economies in Shenzhen and Zhuhai to cushion the impact in case of economic collapses in nearby Hong Kong and Macao.

He is preparing for the worst scenarios in Hong Kong and Macao that may happen due to the change-over of sovereignty.

When the SEZs were founded in Shenzhen and Zhuhai 10 years ago, one of the purposes was to build them into "buffer" zones between Hong Kong and Macao and the inland.

A quasi-capitalist system in the SEZs would reduce the gap between the capitalist Hong Kong and Macao and the socialist mainland.

With an economically vibrant hinterland in Shenzhen and Zhuhai, and in fact the whole Pearl River delta, Hong Kong and Macao will increase their competitive edges.

Chinese sources said local officials in Shenzhen might have asked Mr Deng for support to further open up the SEZ to Hong Kong.

The border between Hong Kong and Shenzhen would be relaxed in order to enable a freer flow of personnel and goods.

At the same time, the demarcation line between Shenzhen and the rest of the mainland would be tightened up to stem the flow of inlanders into the SEZ.

To facilitate economic integration between Shenzhen and Hong Kong, the SEZ would implant more "useful" capitalist measures from the British-administered territory.

Shenzhen has planned to implement some legislation from Hong Kong.

The municipality has also asked the central authorities to grant its legislature the power to enact laws. In China, only the national or provincial legislatures enjoy such power.

It is expected that after Mr Deng's visit, this request will be granted.

Analysts said greater reform and openness and relaxation of the border control would enable further economic integration between Shenzhen and Hong Kong.

By bringing a host of veteran statesmen and top officials to the south to witness its achievements, Mr Deng is trying to build a consensus in the leadership that the reform and opening policies are working well and should be extended.

The leaders have seen for themselves the fruitful cooperation between Shenzhen and Hong Kong.

As a result, they will be more prepared to keep the promise of preserving Hong Kong's capitalist system for 50 years after 1997. Maybe, as one report suggested, Mr Deng is willing to extend Hong Kong's "grace period" for 30 years more.

### Drug Money Reported Seized From Several Banks

OW3101104992 Beijing XINHUA in English  
1020 GMT 31 Jan 92

[Text] Hong Kong, January 31 (XINHUA)—A large amount of 120 million H.K. dollars (15.38 million U.S. dollars) in drug money has been seized from several Hong Kong banks according to the Drug Trafficking (Recovery of Proceeds) Ordinance, which was enacted in 1989.

The cash was confiscated following a two-year investigation and an operation between the Hong Kong Narcotics Bureau and the United States' Drug Enforcement Administration.

Local Chief Superintendent David Hodson was quoted as saying that "this is a very satisfying result for us and it does demonstrate we are taking the matter of tackling the financial aspects of drug trafficking very seriously."

He said that six Hong Kong people were convicted of conspiring to traffic in 561 kilograms of heroin between 1986 and 1988. They operated between Thailand and the United States, but cash proceeds were deposited with several banks in Hong Kong.

According to the local press, it was decided Hong Kong would keep the money since it was already deposited in local banks.

The group was awaiting sentencing in the U.S. while another man was still awaiting trial.

Some of the gang members were arrested in New York and others locally.



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